

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA, ) Case No. 5:21-cr-259  
)  
Plaintiff, )  
) Cleveland, Ohio  
vs. ) Thursday, January 18, 2024  
) 8:39 a.m., Courtroom 15A  
RONALD DiPIETRO, )  
CHRISTOS KARASARIDES, JR., )  
and CHRISTOPHER KARASARIDES, ) TRIAL DAY 3  
)  
Defendants. )  
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REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE THE HONORABLE DONALD C. NUGENT,  
SENIOR UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff:

OFFICE OF THE U.S. ATTORNEY - AKRON  
BY: AARON P. HOWELL, AUSA  
2 South Main Street, 208 Federal Building  
Akron, OH 44308  
(330) 352-0993

(Appearances continued on Page 2)

COURT REPORTER:

Heather K. Newman, RMR, CRR  
U.S. District Court, Northern District of Ohio  
801 West Superior Avenue, Court Reporters 7-189  
Cleveland, OH 44113  
(216) 357-7035 or heather\_newman@ohnd.uscourts.gov

Proceedings reported by machine shorthand; transcript  
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APPEARANCES CONTINUED:

For the Plaintiff:

U.S. DEPARTMENT OF JUSTICE - TAX DIVISION  
BY: SAMUEL B. BEAN, AUSA  
HAYTER L. WHITMAN, AUSA  
150 M Street NE  
Washington, DC 20002  
(202) 514-3774

For the Defendant Ronald DiPietro:

LAW OFFICE OF ROBERT J. FEDOR  
BY: ROBERT J. FEDOR, ESQ.  
BENJAMIN C. HEIDINGER, ESQ.  
23550 Center Ridge Road, Suite 107  
Westlake, OH 44145  
(440) 250-9709

For the Defendant Christos Karasarides, Jr.:

LAW OFFICE OF MICHAEL J. GOLDBERG  
BY: MICHAEL J. GOLDBERG, ESQ.  
ADAM J. PARKER, ESQ.  
323 Lakeside Place, Suite 450  
Cleveland, OH 44113  
(216) 696-5414

For the Defendant Christopher Karasarides:

JAMES M. KERSEY, ESQ.  
1360 East Ninth Street  
600 IMG Building  
Cleveland, OH 44114  
(216) 241-3470

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2 --oOo--

08:25:52 3 P R O C E E D I N G S

08:39:06 4 COURTROOM DEPUTY: All rise for the jury.

08:40:03 5 (Jury returned to courtroom at 8:39 a.m.)

08:40:03 6 THE COURT: Well, good morning, ladies and  
08:40:05 7 gentlemen.

08:40:05 8 THE JURY: Good morning, Judge.

08:40:08 9 THE COURT: Got your coats and your boots for  
08:40:10 10 tomorrow in case it snows? I'm getting all kinds of  
08:40:14 11 different reports. I don't know. We'll have to play it by  
08:40:16 12 ear; right?

08:40:18 13 A little snow never hurt anybody, did it?

08:40:22 14 Okay. You may call your next witness.

08:40:24 15 MR. HOWELL: Thank you, Judge.

08:40:25 16 The United States would call Ronnie Hull to the stand.

08:40:50 17 (Brief pause in proceedings).

08:40:58 18 THE COURT: Just walk up there, Ronnie.

08:40:59 19 If you would raise your right hand for me.

08:41:02 20 Do you swear the testimony you are about to give will  
08:41:05 21 be the truth as you answer to God?

08:41:06 22 THE WITNESS: Yes, sir.

08:41:07 23 THE COURT: Please have a seat.

08:41:08 24 And could you tell us your full name and spell your  
08:41:11 25 last name.

08:41:11 1 THE WITNESS: Ronnie George Hull, H-u-l-l.

08:41:14 2 THE COURT: Thank you.

08:41:15 3 MR. HOWELL: Your Honor, may I approach and  
08:41:18 4 help with the mic?

5 DIRECT EXAMINATION OF RONNIE HULL

08:41:38 6 BY MR. HOWELL:

08:41:38 7 **Q** Good morning.

08:41:39 8 **A** Good morning.

08:41:39 9 **Q** You already stated your full name. Can you tell the  
08:41:42 10 jury what you do for a living?

08:41:43 11 **A** I work at the United States Postal Service.

08:41:46 12 **Q** Can you say that again, please?

08:41:47 13 **A** I work at the United States Postal Service.

08:41:49 14 **Q** And what are your duties there?

08:41:51 15 **A** Currently, I am a Form 50 Level 17 supervisor, but I'm  
08:41:56 16 acting manager of a Level 20 office right now.

08:41:58 17 **Q** All right. And what does that mean?

08:42:00 18 **A** I manage operations of a local post office.

08:42:17 19 **Q** All right. Did you start as a supervisor?

08:42:19 20 **A** I did not, no.

08:42:21 21 **Q** What did you start as?

08:42:23 22 **A** I started as a city carrier assistant.

08:42:26 23 **Q** All right. And when did you start that job?

08:42:29 24 **A** August of 2018.

08:42:35 25 **Q** Prior to August of 2018, what was your job?

08:42:38 1 **A** I worked at the Skilled Shamrock and Redemption Skill  
08:42:44 2 Games.

08:42:44 3 **Q** When did you start working there?

08:42:46 4 **A** August of 2010.

08:42:49 5 **Q** You said August of 2010. What was going on in your  
08:42:52 6 life at that time?

08:42:54 7 **A** I was young. I was in school, and I was unemployed.

08:43:00 8 **Q** Okay. And when you say that you were in school, what  
08:43:02 9 type of school were you in?

08:43:04 10 **A** I was at Stark State College going through electrical  
08:43:10 11 engineering.

08:43:10 12 **Q** And how old were you in 2010?

08:43:14 13 **A** 21.

08:43:15 14 **Q** And you said that you were unemployed and going to  
08:43:17 15 school at Stark State. Is that down in Canton, Ohio?

08:43:20 16 **A** Yes.

08:43:24 17 **Q** So you're unemployed. So what did you do?

08:43:27 18 **A** Went to school.

08:43:30 19 Are you asking in regards to how I got the job?

08:43:32 20 **Q** Yes, sir.

08:43:33 21 **A** Jason Kachner called me one day and asked me if I was  
08:43:36 22 looking for a job. He was friends with my brother, and my  
08:43:39 23 brother was telling him I was looking for a job. And I  
08:43:42 24 said, of course. And he said, well, I got a job at my game  
08:43:48 25 room. If you're interested, be there whatever day it was at

08:43:54 1 this time. And I just -- I showed up.

08:43:57 2 **Q** And this is in 2010?

08:43:59 3 **A** Yes.

08:44:00 4 **Q** You mentioned that Mr. Kachner was a friend of your  
08:44:03 5 brother's. How long had you known Mr. Kachner prior to  
08:44:06 6 that?

08:44:09 7 **A** Known him well, not very well, but I've known -- he's  
08:44:12 8 been around my life probably my whole life, that I know of.

08:44:16 9 **Q** And you mentioned game room. At that point in time,  
08:44:20 10 were you familiar with the game rooms that were operating  
08:44:22 11 down in the Stark County area?

08:44:23 12 **A** No. I thought I was going to like an arcade type game  
08:44:27 13 room is what I thought I was going to.

08:44:29 14 **Q** Were you excited?

08:44:31 15 **A** Money. That's what I was excited for.

08:44:33 16 **Q** Okay. So, he gave you a report date it sounded like.  
08:44:37 17 What was your understanding you were going to do when you  
08:44:40 18 showed up at the place?

08:44:41 19 **A** He said that I would be there to learn how to operate  
08:44:45 20 the room. I'd have a trainer that would show me how to,  
08:44:49 21 like, clean the area, cash people out, which I was -- wasn't  
08:44:53 22 for sure what he was talking about at that point. But they  
08:44:56 23 would just show me everything in detail of what I had to do  
08:44:59 24 at the game room.

08:45:00 25 **Q** And was there a specific game room that you were to

08:45:03 1 report to?

08:45:03 2 **A** I was to report to Shamrock, but the training happened  
08:45:06 3 at Redemption.

08:45:08 4 **Q** And when you say you were to report to Shamrock, what  
08:45:10 5 do you mean by that?

08:45:11 6 **A** That was where my job was going to be. Like, I was  
08:45:13 7 going to be at Shamrock.

08:45:16 8 **Q** Did you have any understanding at that point of what  
08:45:18 9 your pay would be?

08:45:20 10 **A** \$10 an hour.

08:45:25 11 **Q** All right. So it was your understanding you were  
08:45:26 12 going to start work at Shamrock but you went to Redemption  
08:45:31 13 for training?

08:45:32 14 **A** Yes.

08:45:32 15 **Q** All right. Walk the jury through when you show up at  
08:45:35 16 Redemption. What do you see and what happens?

08:45:36 17 **A** So, first I walked up and it said ring the bell, which  
08:45:40 18 kind of confused me at first, so I rang the bell. A woman  
08:45:44 19 in her late fifties, her name was Robin, came up to the door  
08:45:48 20 and said, are you hear to train? Because I looked young so  
08:45:51 21 I probably wasn't there to play the machines. And I said  
08:45:55 22 yes.

08:45:55 23 So she walked me in the back. And she was like, okay,  
08:46:00 24 this is the basic stuff. I'm going to show you how to clean  
08:46:05 25 because no one in here cleans. So we focused on -- 7 of my



08:46:10 1 8 hours of the day was focused on cleaning. And I was more  
08:46:13 2 concerned on doing the money because I didn't want to get  
08:46:16 3 the money wrong.

08:46:17 4 **Q** I want to kind of take the jury to the moment you say  
08:46:19 5 you go up to the door and you have to ring a bell.

08:46:22 6 **A** Yeah.

08:46:22 7 **Q** Okay. So you couldn't just walk into the place?

08:46:25 8 **A** No. The door was locked. I tried pulling on it, but  
08:46:29 9 there was a little note that said "ring doorbell."

08:46:30 10 **Q** As you're walking up to this place, describe where  
08:46:33 11 this is located.

08:46:34 12 **A** It's in a plaza. There's like a Subway to the left if  
08:46:38 13 you're looking at the building, and then there was a  
08:46:41 14 printing place to the right of it. But it's in a bigger  
08:46:44 15 plaza.

08:46:46 16 **Q** Are there other stores and grocery stores and things  
08:46:49 17 right around there?

08:46:49 18 **A** Yeah. There's an Acme across the street, restaurants,  
08:46:53 19 apartment buildings. It's in a busier area of Canton.

08:46:56 20 **Q** As you approach to go to the door, can you see inside  
08:47:01 21 Redemption?

08:47:02 22 **A** No. The windows are dark.

08:47:04 23 **Q** And so when she let's you in, what do you see?

08:47:08 24 **A** Immediately to your left there's -- like, there was a  
08:47:12 25 little room of machines, probably 8 to 10 machines, and then

08:47:16 1 there was a back room that had more machines. And then like  
08:47:18 2 the area of where the cashier would be would be kind of  
08:47:25 3 like, as soon as you walked in, 10 to 15 feet to the left.

08:47:29 4 **Q** Did you notice anything specific that was in there?

08:47:30 5 **A** Just the machines.

08:47:32 6 **Q** All right. And did you know what those were?

08:47:34 7 **A** Not at the time, no.

08:47:35 8 **Q** What did they look like to you?

08:47:39 9 **A** Cabinets with monitors in them.

08:47:41 10 **Q** All right. And did you see -- you thought it was  
08:47:45 11 going to be a game room. Did you see any of those things  
08:47:47 12 you expected to see?

08:47:48 13 **A** No.

08:47:50 14 **Q** Did you smell anything when you went in there?

08:47:52 15 **A** Smelled smoke.

08:47:54 16 **Q** All right. Were there people smoking?

08:47:55 17 **A** Yeah. There was always people smoking.

08:47:58 18 **Q** What time of day did you arrive for your training, do  
08:48:02 19 you -- approximately?

08:48:03 20 **A** 3 -- I think her shift was 3 to 11.

08:48:06 21 **Q** So the afternoon?

08:48:07 22 **A** Yeah.

08:48:07 23 **Q** Were there customers in the business?

08:48:10 24 **A** Probably 10 to 15 or so.

08:48:12 25 **Q** All right.

08:48:12 1 **A** It wasn't very busy.

08:48:13 2 **Q** Okay. So you say you spent 8 hours training?

08:48:18 3 **A** Yes.

08:48:19 4 **Q** And primarily cleaning?

08:48:21 5 **A** Yes.

08:48:21 6 **Q** All right. What was the cleaning you had to do?

08:48:24 7 **A** Cleaned up after lunch. They have like a lunch crowd  
08:48:27 8 that come in. And then we cleaned up after dinner. Cleaned  
08:48:30 9 all the utensils, cleaned the bathrooms, mopped the floors,  
08:48:35 10 swept the floors, dusted the machines. Anytime somebody got  
08:48:38 11 up off the machine, they wanted you to spray it with like a  
08:48:41 12 little bit of alcohol and clean it off.

08:48:44 13 **Q** Did you receive -- you said 7 of the 8 hours were  
08:48:47 14 cleaning. Did you receive any other training about how the  
08:48:49 15 place operated?

08:48:50 16 **A** Yeah. When she closed out, like the last hour we  
08:48:53 17 focused on taking the money that she cashed out for the day.  
08:48:57 18 And you'd take all the tickets, put it on a piece of paper,  
08:49:01 19 and then calculate what your expenses were, like -- so they  
08:49:04 20 had a match play, so if you came in, they gave you -- if you  
08:49:08 21 put \$10 in, they would give you \$10. So if a hundred people  
08:49:12 22 came in, you had 10 times a hundred for the match play. And  
08:49:15 23 then that would be part of your expenses. And then your  
08:49:19 24 cash-outs and you subtract all that from what you started  
08:49:23 25 with. That should be what you end it with.

08:49:25 1 Q Okay. What was your, I guess, job title? Were you  
08:49:31 2 told what you were -- you know, what you were called?

08:49:33 3 A When I started, I was a cashier.

08:49:37 4 Q So as far as interacting with the customers, what type  
08:49:40 5 of training did you receive as far as how you were supposed  
08:49:43 6 to interact with them?

08:49:44 7 A You're supposed to just be there and talk to them, and  
08:49:47 8 if they want like a drink or something, you grab it for  
08:49:50 9 them. If they wanted to cash out a ticket, you grab the  
08:49:53 10 ticket and cash it out.

08:50:01 11 Q When you say that Jason Kachner reached out to you in  
08:50:04 12 regards to, and you said that his game room, what did that  
08:50:07 13 mean to you?

08:50:08 14 A That he owned it.

08:50:09 15 Q All right. At some point did you learn if there were  
08:50:13 16 any other owners, I'm talking early on when you start  
08:50:16 17 working there, as far as the business goes?

08:50:17 18 A Yeah. It wasn't long that I learned that Larry Dayton  
08:50:20 19 was an owner of Redemption and Shamrock.

08:50:23 20 Q Did you know Larry Dayton prior to that?

08:50:25 21 A No.

08:50:26 22 Q So it was your understanding, it sounds like, at that  
08:50:29 23 time Jason Kachner and Larry Dayton were who you understood  
08:50:31 24 to be the owners?

08:50:32 25 A Correct.

08:50:33 1 Q All right. So how many days did you start working  
08:50:38 2 there at the beginning?

08:50:39 3 A Two.

08:50:39 4 Q And was that at Redemption?

08:50:41 5 A Shamrock.

08:50:42 6 Q So you started working over at Shamrock?

08:50:44 7 A Correct.

08:50:44 8 Q All right. Now, I want you to paint a picture for the  
08:50:47 9 jury as far as when you go over to Shamrock, kind of tell  
08:50:50 10 them what you see as you're approaching and kind of how it  
08:50:53 11 went when you went to that place.

08:50:54 12 A Shamrock is a stand-alone building. It's real small.  
08:50:58 13 Looks like it might have been a drive-through at one time or  
08:51:02 14 maybe a garage, which is what I think they use it for now,  
08:51:05 15 is like an auto garage now.

08:51:07 16 When you walk in, it's very small. It's one -- it's  
08:51:10 17 got like a little office, one stand-alone room, and  
08:51:17 18 bathrooms. When you walk in, immediately in front of you is  
08:51:20 19 the office, and it kind of goes to the left a little bit.  
08:51:23 20 It's like a little nook, and then to the right is the area  
08:51:26 21 where the game rooms were -- or the game systems.

08:51:29 22 Q How did you enter the Skilled Shamrock?

08:51:31 23 A Through the door -- through the front door.

08:51:33 24 Q All right. Were you able to just walk in?

08:51:34 25 A No. Same thing. You had to -- that one I think at

08:51:37 1 the time you just had to knock. I don't even think they had  
08:51:39 2 a buzzer at the time.

08:51:40 3 **Q** You knocked?

08:51:40 4 **A** I just knocked, yeah.

08:51:42 5 **Q** So it's fair to say the door was locked?

08:51:43 6 **A** The door was locked, yes.

08:51:45 7 **Q** Were you able to see inside the windows of Skilled  
08:51:48 8 Shamrock?

08:51:48 9 **A** They were tinted, but you could see if you -- like if  
08:51:51 10 you put your -- like if you got close enough, you could see.  
08:51:55 11 They weren't as blacked out as Redemption was.

08:51:57 12 **Q** All right. You mentioned that your training happened  
08:51:59 13 at Redemption and then you start working at Skilled  
08:52:03 14 Shamrock. Give the jury an understanding of how far away is  
08:52:06 15 Skilled Shamrock from Redemption?

08:52:07 16 **A** A mile, maybe, not even. Depending on how you take --  
08:52:11 17 how you drive to it.

08:52:13 18 **Q** Can you say that again?

08:52:15 19 **A** A mile, depending on how you drive to it. Like you  
08:52:19 20 could exit the back of Redemption, and it's just one street  
08:52:22 21 that's probably less than a half a mile to Shamrock.

08:52:26 22 **Q** Do you have any background in athletics?

08:52:31 23 **A** I do.

08:52:31 24 **Q** Play baseball?

08:52:32 25 **A** I did.

08:52:33 1 Q Do you think you could hit Skilled Shamrock with a  
08:52:35 2 baseball from Redemption?

08:52:37 3 A Maybe a golf ball.

08:52:38 4 Q All right. So pretty close?

08:52:39 5 A Pretty close, yeah.

08:52:40 6 Q All right. What was your job at Skilled Shamrock?

08:52:45 7 A I was a cashier at Skilled Shamrock.

08:52:48 8 Q And just explain briefly what that means.

08:52:50 9 A Same thing as how I trained at Redemption. I would  
08:52:53 10 cash out the customers. Now, over there, especially when I  
08:52:56 11 was a cashier over there, there was no business. So  
08:53:00 12 basically I just took in my books and my laptop and I did a  
08:53:03 13 lot of studying, and I also took in DVDs and watched a lot  
08:53:09 14 of DVDs. Because we'd probably get 10 to 15 people for a  
08:53:14 15 day, whereas Redemption had 10 to 15 people in it all day.

08:53:19 16 Q So we're talking late summer of 2010. Is that still  
08:53:22 17 the same time frame?

08:53:24 18 A Correct, yeah.

08:53:27 19 Q How many machines were in Skilled Shamrock,  
08:53:29 20 approximately, at that time?

08:53:31 21 A 25, maybe.

08:53:33 22 Q All right. So you were working 2 days a week at  
08:53:44 23 Skilled Shamrock. Were you working at Redemption as well?

08:53:46 24 A Not at first. They -- it was probably a couple --  
08:53:50 25 maybe a month or so into Skilled Shamrock, I was supposed to

08:53:54 1 be full-time Skilled Shamrock, but they either caught  
08:53:56 2 someone stealing at Redemption or thought someone was  
08:53:58 3 stealing, and they let two people go. One was the person  
08:54:01 4 that trained me. So they moved me over to Redemption and  
08:54:04 5 then bumped me up to a third day.

08:54:05 6 **Q** So they lost the person that really wanted the place  
08:54:07 7 very clean?

08:54:08 8 **A** Correct.

08:54:09 9 **Q** All right. So, you went over to Redemption?

08:54:12 10 **A** Yes.

08:54:12 11 **Q** How many days were you working there?

08:54:14 12 **A** Three days.

08:54:16 13 **Q** And were you still working at Shamrock?

08:54:19 14 **A** If they needed -- it was like on -- on a call type  
08:54:22 15 thing. Like if they had someone that needed replaced, I  
08:54:26 16 would always pick up a day or something like that.

08:54:28 17 **Q** What place did you prefer to work at at that time?

08:54:30 18 **A** Redemption.

08:54:30 19 **Q** Why is that?

08:54:31 20 **A** Way more customer coming through and then if -- we got  
08:54:34 21 tips, better tips.

08:54:45 22 **Q** What was your understanding of Jason Kachner's role at  
08:54:48 23 Skilled Shamrock?

08:54:48 24 **A** Same thing as Redemption.

08:54:50 25 **Q** And what's that?



08:54:52 1 **A** Part owner. Part owner. It's going out. Sorry.

08:54:55 2 **Q** Yeah, the microphone keeps going out. Just go ahead  
08:54:59 3 and --

08:54:59 4 **A** Part owner.

08:55:00 5 **Q** With who?

08:55:01 6 **A** Over there, it was known to be like a --

08:55:06 7 MR. GOLDBERG: Objection.

08:55:06 8 THE COURT: Overruled.

08:55:08 9 Go ahead.

08:55:09 10 THE WITNESS: Over there it was -- I was  
08:55:11 11 unaware who it was at the time, like, when I first started.  
08:55:14 12 They always had someone come do the audits, and that person  
08:55:18 13 at the time was -- like, they would switch between a guy  
08:55:22 14 named Jay and a guy named Mike Money Penny. Sometimes -- I  
08:55:27 15 don't think Jay lasted very long, but Mike Money Penny was  
08:55:29 16 their -- like the main person that came through.

08:55:32 17 BY MR. HOWELL:

08:55:33 18 **Q** Okay. And what was the significance of that to you?

08:55:34 19 **A** The audit or --

08:55:35 20 **Q** The people that were there, Jay Spitale and Mike  
08:55:39 21 Money Penny?

08:55:39 22 **A** That was just whoever his partners were. I don't --

08:55:44 23 **Q** Whose partners?

08:55:46 24 **A** Kake's, Jason Kachner.

08:55:49 25 **Q** Okay. So what was your understanding when you started

08:55:52 1 at the Skilled Shamrock as to who the owners were? What was  
08:55:55 2 your understanding --

08:55:55 3 **A** My understanding at the time of starting was Jason  
08:55:58 4 Kachner and Larry Dayton.

08:55:58 5 **Q** All right. And did that change at some point?

08:56:01 6 **A** 2013, when Tom took over for Larry Dayton, that's when  
08:56:08 7 I realized that it was more than just Tom and Jason. It was  
08:56:13 8 whoever Moneypenny was working for.

08:56:14 9 **Q** All right. Whoever Moneypenny was working for was  
08:56:21 10 what?

08:56:21 11 **A** I -- from what I heard, it was DiPietro.

08:56:25 12 MR. GOLDBERG: Objection.

08:56:26 13 THE COURT: Sustained.

08:56:27 14 BY MR. HOWELL:

08:56:28 15 **Q** Yeah, I'm not asking you what you heard.

08:56:30 16 **A** Okay.

08:56:31 17 **Q** I'm just asking you at some point did you learn who  
08:56:33 18 other owners were, to your understanding?

08:56:34 19 **A** To my understanding, without firsthand knowledge, I do  
08:56:37 20 not know who the other owner was.

08:56:39 21 **Q** Okay. So to your knowledge, the people you dealt with  
08:56:41 22 and who you knew was Jason Kachner and Larry Dayton?

08:56:46 23 **A** Correct.

08:56:46 24 **Q** But you understood that there were other people there  
08:56:49 25 that were working on behalf of someone, but you didn't know

08:56:51 1 who that was?

08:56:51 2 **A** Yes, sir.

08:56:51 3 **Q** All right. You mentioned Thomas Helmick.

08:56:55 4 **A** Yes.

08:56:55 5 **Q** And you mentioned that that kind of showed you that  
08:56:58 6 there were other people involved. What do you mean by that?

08:57:00 7 **A** When Larry left in 2013, Tom took over.

08:57:04 8 **Q** Took over as what?

08:57:05 9 **A** As Larry's part. So, I don't know if it was 50/50,  
08:57:10 10 whatever they did. It was Larry's -- he took over for  
08:57:13 11 Larry.

08:57:13 12 **Q** And how did you become aware that Thomas Helmick was  
08:57:16 13 coming in and Larry Dayton was leaving?

08:57:18 14 **A** Well, when Tom came in, he kind of just, hey, I'm  
08:57:22 15 taking over the --

08:57:24 16 MR. GOLDBERG: Objection to what he said,  
08:57:26 17 Judge.

08:57:26 18 THE COURT: Overruled.

08:57:27 19 THE WITNESS: The -- Tom came in and he said  
08:57:29 20 that he was going to take over, like, the bills and the  
08:57:35 21 responsibilities of the unit as far as, like, supplies and  
08:57:37 22 stuff like that goes, and he was taking over the payroll.

08:57:40 23 BY MR. HOWELL:

08:57:41 24 **Q** All right. And was that significant to you in your  
08:57:43 25 role as a cashier there?

08:57:43 1 **A** Yeah, because he put me on a check.

08:57:47 2 **Q** All right. And we'll talk about that in just a little  
08:57:50 3 bit as far as how you received a paycheck.

08:57:51 4 **A** Okay.

08:57:52 5 **Q** But basically, there's a new person you're answering  
08:57:55 6 to that comes in at Redemption?

08:57:57 7 **A** Correct.

08:57:57 8 **Q** Did Mr. Helmick, at that time, have any role over at  
08:58:01 9 Skilled Shamrock?

08:58:01 10 **A** Same thing. He got supplies and -- but he did less of  
08:58:06 11 the bills over there. So, it wasn't in his name over there  
08:58:11 12 like it was at Redemption.

08:58:12 13 **Q** And do you know whose name -- when you say it wasn't  
08:58:15 14 in his name, what do you mean by that?

08:58:17 15 **A** Who the business name was under.

08:58:19 16 **Q** All right. And I guess what I'm asking you is, where  
08:58:23 17 would the business owner's name be listed that informs you  
08:58:26 18 of that?

08:58:27 19 **A** We had to get like a license from Stark County to  
08:58:34 20 operate, and on that license it showed you who the owner of  
08:58:37 21 the business was.

08:58:38 22 **Q** And how did you become aware of that?

08:58:42 23 **A** We would have to get money orders to pay for the  
08:58:46 24 yearly fee.

08:58:47 25 **Q** And give us a rough estimate of what the fee cost.

08:58:53 1 **A** They charged you per machine in the building, I think  
08:58:55 2 it was like a hundred dollars per machine, and then they  
08:58:57 3 charged you an operational fee. I think the Redemption was  
08:59:01 4 12,000 or so a year, and Shamrock might have been like 7,500  
08:59:05 5 a year or something like that.

08:59:06 6 **Q** All right. And you mentioned -- would you receive  
08:59:09 7 something from, is this Plain Township?

08:59:11 8 **A** Yes, Stark County Sheriff.

08:59:13 9 **Q** Is this a zoning permit?

08:59:15 10 **A** It was a zoning permit, but it also, I believe, said  
08:59:18 11 that it was a license to operate.

08:59:20 12 **Q** Okay. And that was your understanding?

08:59:22 13 **A** Yes.

08:59:22 14 **Q** And how did you come to that understanding?

08:59:25 15 **A** Because they sent in a certified mailing that -- like  
08:59:29 16 they -- it was signed by the sheriff, that it was an  
08:59:32 17 operations to run the unit.

08:59:33 18 **Q** All right. And had you ever seen that before?

08:59:37 19 **A** I don't know when they started it. So whenever the  
08:59:40 20 first year was they started it, maybe 2012 or '13, that's  
08:59:44 21 when we were aware of it. I'm not exactly sure when they  
08:59:47 22 started doing that though.

08:59:48 23 **Q** Okay. And you think that this is from the sheriff  
08:59:50 24 versus the township?

08:59:51 25 **A** Yeah, because it was signed -- I'm pretty sure it was

08:59:54 1 signed by the sheriff.

08:59:54 2 **Q** And was this put on the wall at Redemption and  
08:59:58 3 Shamrock?

08:59:58 4 **A** Yeah. We had to have it up. We -- I think we framed  
09:00:01 5 it and put it on a wall.

09:00:02 6 **Q** And do you have any idea who -- did you do that  
09:00:05 7 yourself?

09:00:05 8 **A** No, it would have been the owner -- or who the name of  
09:00:08 9 the building was in, Tom for Redemption, Derek Phillips for  
09:00:12 10 Shamrock.

09:00:12 11 **Q** All right. And so it would be listed and it would be  
09:00:14 12 permanently displayed at the business?

09:00:16 13 **A** Correct.

09:00:17 14 **Q** And what was the significance of that to you as far as  
09:00:20 15 the legality of what you were doing?

09:00:22 16 **A** That it proved that we were legal to operate.

09:00:25 17 **Q** That's what your understanding was?

09:00:26 18 **A** Yes.

09:00:26 19 **Q** Okay. You mentioned that you got money orders to pay  
09:00:33 20 for the zoning permits.

09:00:34 21 **A** Correct.

09:00:34 22 **Q** Who gave you that instruction?

09:00:37 23 **A** It would have come from Kachner.

09:00:38 24 **Q** And how would you purchase the money orders?

09:00:40 25 **A** Cash.

09:00:41 1 Q Where would you go to get them?

09:00:43 2 A Across the street at Acme. Normally did thousand  
09:00:49 3 dollar money orders, so you just go over there and grab  
09:00:52 4 however many you needed. I never personally paid for it,  
09:00:54 5 but I think Tom would do it for Redemption and Derek or his  
09:00:57 6 brother would do it for Shamrock.

09:00:58 7 Q Where would the money come from to purchase those  
09:01:01 8 money orders to pay the zoning permits?

09:01:02 9 A The expenses of the store.

09:01:05 10 Q So it would come out of the cash that's at the stores?

09:01:07 11 A Yeah. It might not -- it might be over a weekly  
09:01:10 12 period. It might not have been like one week, take \$11,000  
09:01:15 13 out, but over a period of time, hey, the fees are coming,  
09:01:18 14 start taking like a thousand dollars out and getting money  
09:01:20 15 orders.

09:01:20 16 Q Why wouldn't you just take cash over to Plain  
09:01:24 17 Township?

09:01:24 18 A Can't answer that.

09:01:26 19 Q You're just following instructions. Is that fair?

09:01:28 20 A Correct.

09:01:35 21 Q Did you become familiar with the games, the cabinets,  
09:01:38 22 the touch screens at Redemption and Skilled Shamrock?

09:01:42 23 A Yes.

09:01:42 24 Q Could you just give the jury a little bit of an  
09:01:44 25 overview. Describe what types of games were in there.

09:01:48 1 **A** Like on that machine right there is probably a  
09:01:50 2 Pot-O-Gold. It holds 12 to 14 games, I believe, but usually  
09:01:55 3 we only activated eight games or so on it, mostly like a  
09:02:00 4 Keno, a Blackjack or 777s. There were other games in the  
09:02:06 5 stores, mostly like penny games that didn't really get  
09:02:10 6 played.

09:02:10 7 Towards the end, I would say like 2016, '17, we got  
09:02:14 8 what were called platinum machines. They were a little  
09:02:18 9 different. They had a lot more games on it where you could  
09:02:20 10 go a little deeper and change, like, what kind of Keno games  
09:02:24 11 you play and stuff like that.

09:02:24 12 **Q** How popular were the platinum games?

09:02:27 13 **A** Not very popular.

09:02:29 14 **Q** It went over like a lead balloon?

09:02:32 15 **A** Yeah. The most popular game, 95 percent of play, was  
09:02:36 16 on Pot-O-Golds.

09:02:37 17 **Q** Okay. And you referenced a machine. Do you see a  
09:02:40 18 machine in the courtroom?

09:02:40 19 **A** Yes.

09:02:41 20 **Q** All right. Are you familiar with that type of  
09:02:43 21 machine?

09:02:43 22 **A** Yes.

09:02:43 23 **Q** The particular one that's in the courtroom here, have  
09:02:46 24 you had the opportunity to see that previously?

09:02:48 25 **A** Yes.



09:02:49 1 Q And was that yesterday?

09:02:50 2 A Yes.

09:02:52 3 Q Did you plug it in?

09:02:53 4 A I didn't personally plug it in.

09:02:55 5 Q Did you see us plug it in?

09:02:57 6 A Yes.

09:02:57 7 Q Were you able to operate it?

09:02:58 8 A Yes.

09:02:59 9 Q And, specifically, I think you referenced Pot-O-Gold?

09:03:04 10 A Yes.

09:03:04 11 Q What is -- what is Pot-O-Gold? What does that mean?

09:03:08 12 A To me, it is just a software that's on it.

09:03:11 13 Q On the --

09:03:12 14 A On the hard drive. Yeah, on the hard drive.

09:03:16 15 Q Okay. And the Pot-O-Gold, the software, that's in the

09:03:20 16 computer. Is that fair?

09:03:22 17 A Yes.

09:03:22 18 Q Is that what you were describing has the different

09:03:25 19 types of games that you can play?

09:03:26 20 A Yeah. The Pot-O-Gold itself is probably the software.

09:03:31 21 Each game inside the software, there's multiple games inside

09:03:35 22 the software.

09:03:36 23 Q And specifically with the Pot-O-Golds, was that the

09:03:39 24 most prevalent type of software and the types of machines

09:03:42 25 that were in both Skilled Shamrock and Redemption?

09:03:45 1 **A** Correct.

09:03:46 2 **Q** And what were the most popular games for the  
09:03:50 3 customers, if you're aware?

09:03:51 4 **A** Superball Keno and 777s.

09:03:54 5 **Q** And describe the Keno game for the jury, please.

09:03:58 6 **A** Keno, you pick up to 10 numbers. Your payout changes  
09:04:04 7 based on how many numbers you pick.

09:04:06 8 And then the Superball part of the Keno is if your  
09:04:09 9 last number bounces, I believe it doubles your pay. I could  
09:04:13 10 be wrong on that, it could be four times your pay, but I  
09:04:16 11 think it doubles your pay.

09:04:17 12 **Q** Prior to working in the game rooms, were you familiar  
09:04:20 13 with Keno?

09:04:20 14 **A** No. Oh, sorry. My dad loved to play Keno in Vegas  
09:04:25 15 when we lived in Vegas, so that aspect of it, yes.

09:04:28 16 **Q** All right. And in the state of Ohio have you come  
09:04:32 17 across Keno in any other type of establishment?

09:04:35 18 **A** Yeah. They're in every bar now.

09:04:36 19 **Q** All right. And is that sanctioned through the Ohio  
09:04:40 20 Lottery Commission?

09:04:40 21 **A** As far as I know, yes.

09:04:41 22 **Q** All right. And, specifically, as far as your role at  
09:04:45 23 Skilled Shamrock and Redemption, were the Keno games that  
09:04:48 24 were on there, were those sanctioned by the Ohio Lottery  
09:04:52 25 Commission?

09:04:52 1 A I'm unaware.

09:04:54 2 Q All right. Did you ever meet anyone from the Ohio  
09:04:57 3 Lottery Commission that came in and told you that that was  
09:04:58 4 okay to use those?

09:04:59 5 A No.

09:05:00 6 Q And how long did you work there, 2010 until when?

09:05:03 7 A 2018.

09:05:04 8 Q And were you working with Pot-O-Golds that entire  
09:05:06 9 time?

09:05:07 10 A Yes.

09:05:07 11 Q And was Keno one of the most popular games through  
09:05:10 12 that entire period?

09:05:11 13 A Yes.

09:05:13 14 Q And you mentioned -- was it 777? What did you call  
09:05:18 15 it?

09:05:18 16 A 777s, yeah.

09:05:19 17 Q And describe for the jury, what's that game?

09:05:21 18 A 777, you spin. The object is to get three 7s. So  
09:05:27 19 there's different colored 7s. If you match the same color,  
09:05:31 20 it's a different payout. And then if you get the 777, then  
09:05:35 21 it's like a jackpot.

09:05:36 22 Q All right. Have you ever seen a game like that  
09:05:39 23 before?

09:05:39 24 A No.

09:05:40 25 Q All right. You mentioned you lived in Vegas before?

09:05:42 1 **A** Yes.

09:05:42 2 **Q** Had you ever been in -- been to a casino prior to your  
09:05:45 3 time working there?

09:05:45 4 **A** Yes.

09:05:46 5 **Q** I think you said, what were you, 21 in 2010 --

09:05:49 6 **A** Yes.

09:05:50 7 **Q** -- when you started working?

09:05:51 8 So you had been at a casino prior to that?

09:05:53 9 **A** Correct.

09:05:54 10 **Q** And when you say a casino, I'm talking about Las Vegas  
09:05:56 11 or like the Jack casino.

09:05:58 12 **A** Correct.

09:05:58 13 **Q** Okay. Have you ever played a slot machine?

09:06:00 14 **A** Yes.

09:06:01 15 **Q** And did you see a similar game on those?

09:06:04 16 **A** Not on the Pot-O-Golds. They're a little different.

09:06:07 17 **Q** Describe that for us.

09:06:09 18 **A** I guess -- at the time, we didn't ever have Blackjack  
09:06:12 19 on there. That kind of came later down the road. So  
09:06:15 20 Blackjack would be something like that you would see on a  
09:06:18 21 game in Cleveland. But for the most part, those are  
09:06:21 22 different. Those are more like bar-style games than they  
09:06:25 23 are casino games.

09:06:26 24 **Q** I guess what I'm referring to is, is you ever pull a  
09:06:29 25 reel for a slot machine and have the wheels turn and try to

09:06:33 1 match up the three --

09:06:34 2 **A** Yeah. Yeah, on the 777s. If you're going to say one  
09:06:37 3 is the most like a casino, it would be 777s.

09:06:39 4 **Q** Okay. And that's what I'm kind of trying to get it.

09:06:43 5 **A** Okay.

09:06:43 6 **Q** So the 777 game, walk us through how do you play that  
09:06:46 7 on the Pot-O-Gold?

09:06:47 8 **A** You put how many credits to you want to bet per line  
09:06:51 9 and then you hit "spin."

09:06:52 10 **Q** So you hit a button?

09:06:54 11 **A** Yeah.

09:06:54 12 **Q** That's all you do?

09:06:55 13 **A** That's all you do.

09:06:56 14 **Q** And it spins and stops where it stops. Is that fair?

09:06:59 15 **A** Correct.

09:07:00 16 **Q** You said you put credits on it. How do you put  
09:07:02 17 credits on a Pot-O-Gold?

09:07:03 18 **A** You put money in the bill acceptor, and then it's a  
09:07:07 19 raise or lower your bet. So every time you go up a nickel  
09:07:10 20 it plays one line up to eight lines.

09:07:12 21 **Q** All right. So you -- the customer would actually put  
09:07:14 22 cash into the machine?

09:07:15 23 **A** Correct.

09:07:15 24 **Q** And then select how many things they wanted to bet?

09:07:19 25 **A** Yes.

09:07:19 1 Q All right. What happens if they match it up, if they  
09:07:22 2 win?

09:07:24 3 A Then it would credit them the amount of money. So, I  
09:07:28 4 think if you played one line and hit 7s it was \$25. If you  
09:07:32 5 hit same colored 7s it was \$50. Triple 7s on one line was  
09:07:36 6 \$500.

09:07:38 7 Q So if they win and they decide, hey, I'm done playing,  
09:07:41 8 what happens?

09:07:41 9 A Then they would request a cashout.

09:07:43 10 Q How would they do that?

09:07:45 11 A When I first started as a cashier, they just pushed a  
09:07:48 12 button. Towards the end we had to actually physically cash  
09:07:51 13 them out.

09:07:51 14 Q And when you say push a button, what do you mean by  
09:07:54 15 that?

09:07:54 16 A I don't know if that machine has it, but on the  
09:07:56 17 machine there's a -- I think it will say ticket or cash out  
09:07:59 18 on it. If you push that button, it prints out the printer.  
09:08:03 19 Depending on where that printer is on the machine, it could  
09:08:06 20 be on the bottom right or top right.

09:08:08 21 Q And that would print out what, showing what they'd  
09:08:12 22 won?

09:08:12 23 A Yeah, it's just a ticket with the machine number, what  
09:08:15 24 machine, probably what game they were playing, and then how  
09:08:17 25 much the value was of the ticket.

09:08:19 1 Q And they hit the button, they ask for you to cash them  
09:08:22 2 out. What do you do?  
09:08:23 3 A Cash them out.  
09:08:24 4 Q And where do you get the cash from?  
09:08:25 5 A Cash register.  
09:08:27 6 Q Go ahead and say that again.  
09:08:28 7 A Cash register.  
09:08:29 8 Q So if they win, you hand them over cash?  
09:08:31 9 A Yes.  
09:08:39 10 Q Are you familiar with the win percentages?  
09:08:44 11 A Pretty close, yeah.  
09:08:46 12 Q I'm not asking you what the rates were --  
09:08:49 13 A Okay.  
09:08:49 14 Q -- that you're familiar with. I'm just asking you  
09:08:51 15 what is a win percentage on a Pot-O-Gold machine, for  
16 example?  
09:08:55 17 A So on those machines, if you go into the actual hard  
09:08:59 18 drive, you can change the actual win percentage on them.  
09:09:02 19 Like, I believe Superball Keno is 94.35 percent. But if you  
09:09:07 20 change the percentage, it changes the cashout value. So if  
09:09:09 21 you went up a percentage, it might drop your -- if you hit  
09:09:12 22 four out of four, it might go -- instead of \$100, you might  
09:09:17 23 only get \$75 because the percentage went up. So the  
09:09:21 24 percentage affected the cashout value.  
09:09:23 25 Q Does that essentially change the odds as well?

09:09:26 1 Are you able to change the odds as far as like how  
09:09:29 2 likely someone is to win on your machines?

09:09:30 3 **A** I would assume that the percentage itself is the odd.

09:09:33 4 **Q** Okay.

09:09:34 5 **A** So, if it's 94 percent, it's keeping 6 out of every  
09:09:40 6 hundred dollars would be the theory. So if you change it to  
09:09:43 7 92 percent, it would keep 8 out of every hundred dollars.

09:09:47 8 **Q** In your personal experience in the 8 years that you  
09:09:49 9 worked at these places, Skilled Shamrock and Redemption, did  
09:09:52 10 you ever have to deal with a machine and set a win  
09:09:55 11 percentage?

09:09:55 12 **A** Yes.

09:09:56 13 **Q** And explain to the jury, what's a situation when you'd  
09:09:59 14 have to do that?

09:10:00 15 **A** So if they put in new hardware or the system  
09:10:04 16 completely rebooted, sometimes it would factory reset to  
09:10:08 17 something, we would have to go in. You'd have to click a  
09:10:12 18 tab in there to let you go into the system itself. When you  
09:10:17 19 go in there, you have to change it to a percentage. But we  
09:10:20 20 always set our percentages at the exact same percentage.

09:10:23 21 **Q** And who instructed you to do that?

09:10:24 22 **A** Jason Kachner.

09:10:25 23 **Q** Now, you walked us through a bit of a scenario with  
09:10:28 24 Keno as far as the win percentage and what the payout would  
09:10:33 25 be. And you mentioned that was a very popular game as well;



09:10:36 1 correct?

09:10:36 2 **A** Correct.

09:10:37 3 **Q** If you changed that percent in there, would your  
09:10:39 4 customers know?

09:10:40 5 **A** Immediately, yes.

09:10:41 6 **Q** And why is that?

09:10:42 7 **A** Because their payouts would be different.

09:10:44 8 **Q** Can you say that again, please?

09:10:46 9 **A** Because their payouts would be different.

09:10:48 10 **Q** And can you just describe that a little bit for the  
09:10:50 11 jury, how would that happen?

09:10:51 12 **A** So, when you go on the Keno, if you put 5 numbers on  
09:10:57 13 there, it will tell you on the right how many -- how much  
09:10:59 14 you would win if you got 3 out of 5, 4 out of 5, 5 out of 5.  
09:11:04 15 It tells you before you spin. Like, you don't have to spin  
09:11:07 16 to see what the payout is.

09:11:08 17 So if you change the percentage, the number beside  
09:11:11 18 that, 3, 4, 5, would change depending on if you went up or  
09:11:14 19 down.

09:11:15 20 **Q** All right. So let's change that.

09:11:16 21 Can you do anything with the win percentage for, like,  
09:11:19 22 the spin and win, the 777s?

09:11:21 23 **A** Yes. I've never seen anybody actually change that  
09:11:24 24 because I think we just did factory, whatever the factory  
09:11:28 25 built-in was on the system.

09:11:30 1 Q All right. But do you have an understanding of what  
09:11:32 2 the effect would be if you changed the percentage on the  
09:11:34 3 777s?

09:11:35 4 A You would probably, best guess, would -- instead of  
09:11:38 5 winning \$25, you might win \$20, or you might win 30, if the  
09:11:44 6 percentage is lower or higher.

09:11:45 7 Q So is it fair to say based your experience there with  
09:11:47 8 the customers knowing these games and being popular, they  
09:11:49 9 would certainly realize that if it changed?

09:11:52 10 A Oh, yeah. We had several instances where we would get  
09:11:55 11 a new machine and the customer would be like, your  
09:11:58 12 percentages are off.

09:11:58 13 Q Because they're playing somewhere else and they're  
09:12:00 14 getting more money. Is that fair?

09:12:02 15 A Correct.

09:12:02 16 Q So those win percentages, were those important to the  
09:12:05 17 functioning of the businesses?

09:12:07 18 A Yeah. I mean, if you change your percentages, people  
09:12:10 19 think you're trying to get them, so they would just go  
09:12:14 20 somewhere else.

09:12:15 21 Q All right. And what if your percentages were higher  
09:12:18 22 win percentages than other business?

09:12:20 23 A As odd as this might sound, customers didn't like it  
09:12:23 24 because if your higher percentage, your payout was lower, so  
09:12:27 25 they thought you were trying to get them.

09:12:28 1 Q So they thought you were trying to get them either  
09:12:31 2 way?

09:12:31 3 A Either way, yes.

09:12:32 4 Q But were they aware that you guys could change that at  
09:12:35 5 any point in time?

09:12:36 6 MR. GOLDBERG: Objection.

09:12:37 7 THE COURT: Objection's sustained.

09:12:39 8 BY MR. HOWELL:

09:12:39 9 Q If you guys changed those, would you get feedback from  
09:12:42 10 the customers?

09:12:42 11 A Yes.

09:12:48 12 Q And if you received complaints, who would you pass  
09:12:51 13 those on to?

09:12:54 14 A Kachner.

09:13:02 15 Q At some point did your role change from a cashier to  
09:13:07 16 something else at Redemption?

09:13:08 17 A Yeah. When Tom took over in 2013, they asked me to  
09:13:12 18 take over as the guy that emptied the machines.

09:13:18 19 Q And when you say "they," who are you referring to?

09:13:21 20 A Tom and Jason.

09:13:22 21 Q Jason Kachner?

09:13:23 22 A Yeah.

09:13:23 23 Q So Thomas take over. He comes in, replaces Larry  
09:13:27 24 Dayton, to your knowledge?

09:13:27 25 A Yes.

09:13:28 1 Q Now, was Larry Dayton out of the business at that  
09:13:31 2 time?

09:13:31 3 A He was come and go. It depended on his situation, but  
09:13:38 4 he was always -- he would always come around to grab quick  
09:13:42 5 cash if he needed it. He would come in and grab money if he  
09:13:44 6 needed it.

09:13:45 7 Q All right. Explain for the jury what you mean by your  
09:13:48 8 role changed as far as taking cash out of the machines.

09:13:50 9 A So, when the cashier gets low, they would call me.  
09:13:57 10 And I would come in and grab cash from all the machines. I  
09:14:00 11 would take the cash in the back room. I would sort it based  
09:14:03 12 on twenties, tens, fives, hundreds, whatever. And then I  
09:14:08 13 would count all that up. They would come back there and  
09:14:11 14 check my count. If we agreed upon it, we put it on the  
09:14:14 15 worksheet, and they would add it to their bank.

09:14:22 16 Q Did your role change in any other way, your duties?

09:14:26 17 A It was more of a -- I was the manager of the  
09:14:30 18 operation. I still reported to Kake and Becky.

09:14:32 19 Q Who is Becky?

09:14:34 20 A Becky is Jason's wife.

09:14:36 21 Q Okay.

09:14:38 22 A Anything -- they did all the scheduling. They did all  
09:14:41 23 the hiring and firing. But I would do the day-to-day  
09:14:45 24 operations and report to them if there was any issues.

09:14:47 25 Q And was that just solely at Redemption?

09:14:49 1 **A** No. Shamrock as well.

09:14:51 2 **Q** And what would you do at Shamrock?

09:14:53 3 **A** Same thing. Do the counts throughout the week and  
09:14:58 4 give money to the cashiers.

09:14:59 5 **Q** All right. Now, we've heard cash throughout the week,  
09:15:04 6 and we've also -- in this trial we've heard of audits.

09:15:07 7 Can you describe for the jury what, if any, difference  
09:15:09 8 is from cashing out each day versus the audits?

09:15:11 9 **A** So, cash each day would be, like if I started with  
09:15:16 10 \$10,000 and I paid out 9,000, I'm getting low, hey, I got to  
09:15:20 11 call somebody to get more money. Or a lot of times we ran  
09:15:24 12 through fives a lot because we did match plays with fives  
09:15:27 13 and tens. We'd run out of fives, so I'd have to come in and  
09:15:32 14 resupply their fives and tens.

09:15:34 15 So throughout the week, two or three times I day I  
09:15:36 16 would go in and I would pull all the money from the  
09:15:38 17 machines, count it out, write it down, like I said, match it  
09:15:41 18 with what they got. If our numbers matched, we wrote it on  
09:15:46 19 the piece of paper. And we would do that 15, 20 times a  
09:15:49 20 week or whatever. But the audit was once a week. It was  
09:15:52 21 normally every Sunday morning.

09:15:54 22 What they'd do is they would take the numbers from the  
09:15:56 23 machine, what it took in for the week, what it paid out for  
09:15:59 24 the week. And then they would take that net value, add them  
09:16:03 25 all together, minus the expenses, and then you would have

09:16:07 1 the total net profit.

09:16:09 2 **Q** All right. And we're going to talk more extensively  
09:16:11 3 about the audits, but I want to focus more on the day-to-day  
09:16:16 4 taking the cash out of the machines.

09:16:17 5 What would you do with the cash after you take them  
09:16:20 6 out of the machines?

09:16:20 7 **A** I would count it, separate it between the  
09:16:25 8 denominations of the bills. And then the cashier -- or the  
09:16:29 9 cashier would check my money, and then they would add it to  
09:16:32 10 their bank.

09:16:33 11 **Q** And you would reflect that on daily sheets?

09:16:34 12 **A** The daily sheet, yes.

09:16:36 13 **Q** Where would the money go after that?

09:16:38 14 **A** They would normally --

09:16:40 15 **Q** Who is "they"?

09:16:41 16 **A** The cashiers. Sorry.

09:16:42 17 The cashiers would take that money and they would put  
09:16:45 18 it -- most of them put it under a white trash bag in a trash  
09:16:49 19 can in the back office of each facility.

09:16:52 20 **Q** And why would you do that?

09:16:55 21 **A** They didn't have a safe, I guess.

09:16:57 22 **Q** Okay. So just so I'm clear, they would take the cash  
09:17:00 23 and put it under a trash bag in a trash can?

09:17:03 24 **A** Um-hmm.

09:17:04 25 **Q** Okay. So that cash, would that remain there

09:17:09 1 throughout the week until the audit?

09:17:10 2 **A** Yes.

09:17:17 3 **Q** What would happen with the daily sheets?

09:17:20 4 **A** They would get -- they would take first shift, second  
09:17:25 5 shift, third shift, midnight guy would put them all into  
09:17:29 6 one, wrap it up and staple it. And then it would go up on  
09:17:32 7 the top or, if we had like a filing cabinet or something,  
09:17:34 8 sometimes we did, sometimes we didn't -- it went back and  
09:17:36 9 forth if we didn't or didn't -- they'd put it up in the  
09:17:40 10 filing cabinet, and then we would save it till the audit.

09:17:43 11 **Q** So the daily sheets would remain in the business the  
09:17:46 12 way that you indicated until the day of the audits?

09:17:48 13 **A** Correct.

09:17:52 14 **Q** Did you have any role in the weekly audits?

09:17:55 15 **A** After 2013, yes.

09:17:58 16 **Q** So after you took over kind of managerial duties?

09:18:02 17 **A** Yes.

09:18:02 18 **Q** Walk the jury through, it's a Sunday, you're going to  
09:18:07 19 do the audit, what do you do?

09:18:08 20 **A** So I would go and I would take the money out of the  
09:18:12 21 machines and do the exact same thing I'd normally do  
09:18:15 22 throughout the week. I'd count the money up, and then Jason  
09:18:18 23 would follow me and print the audit or he would just write  
09:18:23 24 them down and clear them out on the machine. You could do  
09:18:26 25 it either way. He preferred to physically write it down

09:18:31 1 rather than print.

09:18:32 2 **Q** And just so we're clear, when you say Jason, you mean  
09:18:35 3 Jason Kachner?

09:18:35 4 **A** Yes.

09:18:37 5 **Q** On a Sunday, what time of day would you typically do  
09:18:40 6 this?

09:18:40 7 **A** We would normally try to be there 7:00 a.m.

09:18:43 8 **Q** Was Redemption open 24 hours a day at that time?

09:18:46 9 **A** Yes.

09:18:46 10 **Q** So would customers be there?

09:18:49 11 **A** Yes.

09:18:49 12 **Q** Jason Kachner is there with you. Was there anyone  
09:18:51 13 else there for the audits?

09:18:53 14 **A** Most of the times Becky was there, his wife.

09:18:57 15 **Q** Anyone else?

09:18:59 16 **A** Time to time Tom, but not very often.

09:19:02 17 **Q** Thomas Helmick?

09:19:03 18 **A** Yes.

09:19:04 19 **Q** All right. Now, I want to take a step back in time  
09:19:07 20 just a little bit.

09:19:08 21 So you said in 2013 you started to take part in the  
09:19:12 22 audits at Redemption; right?

09:19:13 23 **A** Correct.

09:19:14 24 **Q** Prior to that, in the time that you were working as a  
09:19:18 25 cashier, were you ever present when audits were conducted?



09:19:22 1 **A** Yeah. Sometimes they would do emergency audits. If  
09:19:25 2 they thought something was wrong or there was a big hit or  
09:19:27 3 something like that, they might do an emergency audit on my  
09:19:31 4 shift.

09:19:31 5 I always worked afternoon shifts, so it was very rare  
09:19:33 6 that they would do one on my shift because they tried to do  
09:19:36 7 it when there was the least amount of people there.

09:19:38 8 **Q** And who is "they" in that situation?

09:19:39 9 **A** "They" would be Jason Kachner and Larry Dayton and  
09:19:43 10 normally their two wives.

09:19:47 11 **Q** All right. So back to your role in doing them at  
09:19:50 12 Redemption.

09:19:52 13 You're there with typically you said Jason Kachner and  
09:19:55 14 his wife.

09:19:56 15 Are you familiar with a Gaggle System?

09:19:58 16 **A** Yes. Well, that came very late, probably 2017.

09:20:03 17 **Q** And what was the Gaggle System?

09:20:05 18 **A** So the Gaggle System was a system that connected all  
09:20:09 19 the machines together. And what they would do -- so instead  
09:20:13 20 of you saying, hey, I got a cashout, come grab my ticket for  
09:20:18 21 me, they would just hit the cashout button. It would print  
09:20:21 22 in the back office, so everything came to the back office.  
09:20:24 23 There was no need at that time to go out and grab a physical  
09:20:27 24 ticket.

09:20:27 25 It also kept all numbers of the audit on, like, wins

09:20:32 1 and losses for the entire office, net profit, on there.

09:20:35 2 **Q** So I think you estimated that that came into play  
09:20:38 3 around 2017?

09:20:39 4 **A** I believe so, yes.

09:20:40 5 **Q** What was done, if you know, with the records from the  
09:20:44 6 Gaggie System?

09:20:45 7 **A** I don't know.

09:20:46 8 **Q** Okay. So you're there. You guys are performing the  
09:20:53 9 audits on a Sunday.

09:20:55 10 Do the numbers always correspond with the daily sheets  
09:20:58 11 in your experience?

09:20:59 12 **A** No.

09:20:59 13 **Q** And walk the jury through a situation where that had  
09:21:02 14 happened and how you handled it.

09:21:04 15 **A** I mean, some situations were better than others.

09:21:07 16 There were times where we were a hundred, \$200 off, which  
09:21:10 17 they didn't really care that much. They -- that was just a  
09:21:16 18 blip. And there was times where we were 4, 5, \$6,000 off.

09:21:21 19 Normally it was a machine malfunction throughout the week.

09:21:24 20 But if they couldn't locate it, obviously they were very  
09:21:26 21 upset, and we would always do like a deeper dive. And

09:21:30 22 sometimes they made me do daily audits where I would have to  
09:21:33 23 go through -- now, I didn't clear the machine, but I would

09:21:36 24 have to go through and take the numbers and just make sure  
09:21:38 25 every day was checking out.

09:21:40 1 Q What would Mr. Kachner's demeanor be if the count was  
09:21:44 2 off?

09:21:45 3 A He would be upset.

09:21:46 4 Q At who?

09:21:48 5 A Whoever was in the room.

09:22:01 6 Q In your role as the manager there at Redemption and  
09:22:05 7 doing the daily sheets and the audits, did you try to be  
09:22:08 8 meticulous in your numbers?

09:22:10 9 A Yeah, I always want my numbers to be on.

09:22:13 10 Q Why?

09:22:13 11 A Because it was my job.

09:22:15 12 Q Did you take pride in it?

09:22:17 13 A I did.

09:22:23 14 Q At the time -- throughout your time working at  
09:22:28 15 Redemption, in the 8 years, how many employees worked with  
09:22:32 16 you on a day-to-day basis?

09:22:33 17 A On a day-to-day or just in total employees?

09:22:36 18 Q Let's start with day-to-day basis.

09:22:38 19 A Day-to-day, there was always three cashiers, first  
09:22:42 20 shift, second shift, third shift. And depending on day of  
09:22:46 21 the week, usually weekends, there was a doorman at  
09:22:50 22 Redemption. Never at Shamrock.

09:22:51 23 Q You say a doorman?

09:22:52 24 A Yeah.

09:22:52 25 Q What's the role of the doorman? If the door's locked,

09:22:55 1 why do you need a doorman?

09:22:56 2 **A** Because the traffic coming in and out sometimes,  
09:22:59 3 especially if we were doing like a promotion, the traffic in  
09:23:02 4 and out was hard to keep up with with the multiple rooms and  
09:23:05 5 cashing people out.

09:23:12 6 **Q** The doorman ever armed?

09:23:14 7 **A** Yes. Yes.

09:23:15 8 **Q** How do you know that?

09:23:17 9 **A** I would see the gun on them.

09:23:20 10 **Q** How many people carried guns that were working as  
09:23:23 11 doormen there?

09:23:24 12 **A** I don't know exact number. I know at least three.  
09:23:27 13 So usually the midnight guys.

09:23:43 14 **Q** And you mentioned that you had a role over at  
09:23:46 15 Shamrock. Did you ever do audits over there?

09:23:47 16 **A** I would be there for audits from time to time.

09:23:49 17 **Q** And explain that situation to the jury, please.

09:23:51 18 **A** So, normally, it was like I said, Jay, I don't know  
09:23:55 19 his last name, and Mr. Moneypenny would do the audits at  
09:24:00 20 Shamrock. If the numbers were bad for multiple weeks, if  
09:24:04 21 Kake was unavailable, he would have me go over and just be  
09:24:07 22 there for the audit.

09:24:09 23 **Q** And if you would be there for the audit, what was your  
09:24:12 24 role? Were you taking any notes? Were you writing things  
09:24:14 25 down? What did you do?

09:24:15 1 **A** I would count the cash, kind of like I did at  
09:24:19 2 Redemption, get it all ready. And then they would come back  
09:24:21 3 with their numbers on the computer and show me what the  
09:24:24 4 numbers were for the week, and we would match it up.

09:24:27 5 **Q** And just so we're clear, when you say "they," are you  
09:24:31 6 referring to Jay and Mr. Moneypenny?

09:24:34 7 **A** Correct.

09:24:35 8 **Q** Talk a little bit about the computer that you said  
09:24:37 9 that was shown to you. Who was handling that and what was  
09:24:38 10 it used for?

09:24:39 11 **A** Jay or Mr. Moneypenny would always have an laptop when  
09:24:43 12 this did an audit at Shamrock.

09:24:44 13 **Q** And what would they do with it that you were able to  
09:24:46 14 observe?

09:24:46 15 **A** Instead of writing the numbers down like Jason would  
09:24:47 16 do at Redemption, they would type the numbers into an Excel  
09:24:50 17 sheet on the laptop.

09:24:52 18 **Q** Where are they getting those numbers from that you're  
09:24:55 19 observing?

09:24:55 20 **A** The machines. Audit machine.

09:24:58 21 **Q** So each machine?

09:24:59 22 **A** Yes.

09:25:00 23 **Q** And you mentioned that that was shown to you. What  
09:25:03 24 was your understanding why that was shown to you?

09:25:04 25 **A** They would show me -- at the end they'd show me like

09:25:08 1 if the numbers were on and off and then they'd show me what  
09:25:11 2 Kake's cut was so I could take it to Kake if I was there.

09:25:14 3 **Q** All right. And explain to the jury, how would you  
09:25:17 4 see -- were you shown a spreadsheet?

09:25:18 5 **A** Yes.

09:25:18 6 **Q** On the laptop?

09:25:19 7 **A** Yes.

09:25:21 8 **Q** Is that where you would be shown what Kake's cut was?

09:25:25 9 **A** Yes.

09:25:28 10 **Q** And based upon what they showed you on that laptop,  
09:25:31 11 did you already have a number calculated as to what his cut  
09:25:34 12 was, or no?

09:25:35 13 **A** Yeah. I mean, you can tell based off of what the last  
09:25:39 14 pull was from the machine and what the starting bank for the  
09:25:42 15 week was. So the starting bank for the week, at the end  
09:25:46 16 was -- at Shamrock was 15,200. So if my last count was  
09:25:50 17 30,200, you know that the store made \$15,000, Kake made  
09:25:56 18 7500.

09:25:56 19 **Q** So he was getting 50 percent, to your knowledge?

09:25:58 20 **A** Yes.

09:25:59 21 **Q** All right. And this is weekly?

09:26:07 22 **A** Yes.

09:26:07 23 **Q** Based upon you being shown the spreadsheet on the  
09:26:11 24 laptop, were you able to see where the other cut was going?

09:26:14 25 **A** I did not know.

09:26:17 1 Q Okay. So you're shown this on the laptop. You have  
09:26:22 2 your numbers. What happens next? If the numbers match up,  
09:26:27 3 what happens?

09:26:27 4 A He closes his laptop, gives me Kake's money, I take  
09:26:31 5 Kake's money to Redemption, and we go our separate ways.

09:26:33 6 Q Who would give you Kake's money?

09:26:35 7 A Money penny.

09:26:37 8 Q What would --

09:26:38 9 A Or Jay. Sorry. Or Jay.

09:26:40 10 Q What would you do with it?

09:26:42 11 And this being cash, I'm assuming?

09:26:44 12 A Yes.

09:26:44 13 Q What would you do with that cash?

09:26:46 14 A I would normally put it in a black trash bag, and I  
09:26:49 15 would save it for the Redemption audit. Or if Kake was  
09:26:52 16 already -- so sometimes he would send me over to Shamrock  
09:26:56 17 while he had already started the Redemption audit, and I  
09:27:00 18 would just give him the money when I got there.

09:27:03 19 Q Were there times, when he was not available, did you  
09:27:06 20 ever take money to him anywhere else?

09:27:09 21 A I may have taken money to him, but not a hundred  
09:27:13 22 percent sure if I ever did or not.

09:27:14 23 Q Did you ever take money to anyone else?

09:27:16 24 A I took money to Larry Dayton before.

09:27:23 25 Q I think I asked you about this briefly before, and I

09:27:25 1 know you mentioned Larry Dayton kind of got out of the  
09:27:28 2 picture a little bit, at least day-to-day; right?

09:27:29 3 **A** Correct.

09:27:29 4 **Q** Mr. Helmick comes in. Did you ever, after that time,  
09:27:32 5 did you ever deliver money to Larry Dayton?

09:27:34 6 **A** Yes.

09:27:34 7 **Q** Why would you do that if he's out?

09:27:36 8 **A** They asked me to give him money.

09:27:38 9 **Q** Who's "they"?

09:27:39 10 **A** Jason.

09:27:53 11 MR. HOWELL: Can we pull up Government's  
09:27:55 12 Exhibit 411, please?

09:28:04 13 BY MR. HOWELL:

09:28:05 14 **Q** Can you see that?

09:28:05 15 **A** Yes.

09:28:07 16 **Q** All right. And if you're looking at an exhibit,  
09:28:10 17 sometimes if you're looking at that your face is away from  
09:28:13 18 the mic. So if you need to pull it over to you a little  
09:28:15 19 bit, that should work.

09:28:17 20 Do you recognize this?

09:28:18 21 **A** I do.

09:28:19 22 **Q** And what is this?

09:28:20 23 **A** It's a call list at Shamrock.

09:28:24 24 **Q** All right. And how do you recognize Government's  
09:28:27 25 Exhibit 411?



09:28:30 1 A It was hanging at the Shamrock.

09:28:33 2 Q Are you familiar with the names on there?

09:28:44 3 A Yes.

09:28:48 4 Q All right. Do you see Derek on there?

09:28:50 5 A I do.

09:28:53 6 Oh, well, maybe no, I don't.

09:28:56 7 Oh, yeah, I do. There he is. Third one down.

09:29:04 8 Q That a little bigger for you?

09:29:06 9 A Yeah, that's good.

09:29:07 10 Q Okay. Do you see "Derek" on there?

09:29:08 11 A I do.

09:29:08 12 Q And who does that refer to, if you know?

09:29:11 13 A Derek Phillips.

09:29:12 14 Q All right. And let's just go down the list and let us

09:29:15 15 know if you know those folks.

09:29:16 16 A Kenny Phillips, Nancy I know.

09:29:19 17 Do you want me to say who they are or just --

09:29:22 18 Q Yes, please.

09:29:22 19 A Nancy was a cashier. It was also Rebecca Kachner's

09:29:27 20 aunt.

09:29:28 21 Q And where did she work?

09:29:30 22 A I believe she worked at both.

09:29:32 23 Q And when you say "both," just so we're clear --

09:29:35 24 A Redemption and Shamrock.

09:29:36 25 Q Thank you.

09:29:37 1 And who is Kenny again?

09:29:37 2 **A** Kenny is Derek's brother.

09:29:40 3 **Q** Where did he work?

09:29:40 4 **A** Just the Shamrock.

09:29:43 5 **Q** Okay. Then you were past Nancy. Let's go down the

09:29:47 6 list, please.

09:29:48 7 **A** Sue Fano was a cashier. She worked at Shamrock, and I

09:29:52 8 believe she did Sunday mornings at Redemption.

09:29:54 9 **Q** You say Sue Fano. Does that name stand out to you at

09:29:58 10 all?

09:29:58 11 **A** Fano was a -- at the time was a candy place, like

09:30:04 12 three units down in the plaza that Redemption was in.

09:30:10 13 **Q** All right. Next name?

09:30:13 14 **A** Josh, but I'm unsure which Josh that is because we

09:30:16 15 went through a couple Joshes, so I don't know which Josh

09:30:20 16 that is.

09:30:20 17 **Q** Okay.

09:30:20 18 **A** Bonnie was a cashier only at Shamrock.

09:30:27 19 Tim Jr. was a cashier at both.

09:30:34 20 Tim H I do not recognize. I believe he was a midnight

09:30:38 21 guy, but I didn't interact with midnight people very often.

09:30:41 22 **Q** Okay.

09:30:42 23 **A** Because I tried to do everything during the day.

09:30:44 24 The R is me.

09:30:47 25 Thomas would be Tom Helmick.

09:30:50 1 Steve is the owner of the building.

09:30:52 2 Mike Sr. and Mike Jr. are the Moneypennys. They fixed  
09:30:56 3 the machines and then he did the audits on Sunday.

09:30:59 4 ATM guy.

09:31:02 5 I don't know what the second one is.

09:31:05 6 The third one was the people that would fix the lock  
09:31:07 7 on the door if it broke.

09:31:09 8 And the last one was the plow company.

09:31:13 9 MR. HOWELL: Okay. Can zoom out?

09:31:15 10 MR. KERSEY: What?

09:31:16 11 THE WITNESS: The plow company.

09:31:17 12 MR. HOWELL: Plow company.

09:31:27 13 THE WITNESS: Those are all the food places we  
09:31:29 14 would order from.

09:31:30 15 MR. HOWELL: Just for purpose of the record,  
09:31:31 16 we zoomed in on the right side of the Government's  
09:31:35 17 Exhibit 411.

18 BY MR. HOWELL:

09:31:35 19 **Q** And go ahead and tell us what that is.

09:31:37 20 **A** All the food places we ordered from.

09:31:39 21 **Q** And just explain to the jury what you mean by that.

09:31:41 22 **A** So, normally we would order lunch and dinner every  
09:31:45 23 night. Depending on crowd, sometimes we would order more.

09:31:49 24 If there was still a heavy presence later at night, they

09:31:52 25 would allow them to order pizza or something from Lindsey's

09:31:58 1 before they closed or Pizza Oven before they closed for the  
09:32:02 2 midnight crowd.

09:32:03 3 **Q** Based upon your experience there, were you familiar  
09:32:05 4 with how much money, for example, Redemption was spending  
09:32:10 5 for food on a day-to-day basis?

09:32:12 6 **A** On a day-to-day basis, Redemption would probably spend  
09:32:15 7 \$200.

09:32:16 8 **Q** All right. What about Shamrock, to your knowledge?

09:32:18 9 **A** 75 to a hundred, maybe.

09:32:20 10 MR. HOWELL: Can we pull up Government's  
09:32:22 11 Exhibit 406, please.

09:32:28 12 BY MR. HOWELL:

09:32:28 13 **Q** Do you recognize this?

09:32:29 14 **A** Yeah. That's a -- the cash -- well, a drawer of  
09:32:34 15 Shamrock. That's at Shamrock.

09:32:37 16 **Q** Okay. It's a drawer of cash, you said?

09:32:40 17 **A** Yeah.

09:32:41 18 Sometimes they left small -- like if they had, like,  
09:32:45 19 an extra stack of fives or twenties, something that they  
09:32:49 20 knew they were going to go through quick, they would leave  
09:32:51 21 it up top. And then the rest of the money they would put  
09:32:53 22 away, like I said, under -- normally, most people put it  
09:32:57 23 underneath a trash bag in a trash can, most people.

09:33:00 24 **Q** Do you see a trash can in Government Exhibit 406?

09:33:03 25 **A** I do.

09:33:03 1 Q And if you take your finger, Mr. Hull, you can touch  
09:33:07 2 the screen, and you can circle it if you see it.

09:33:09 3 A (Witness complies).

09:33:14 4 Q All right. And you mentioned this trash can. And  
09:33:15 5 once again, just explain to us what that would generally be  
09:33:19 6 used for.

09:33:19 7 A It would be used to hold the extra cash underneath  
09:33:26 8 that bag.

09:33:27 9 Q And so it has a trash bag in it. It looks like there  
09:33:30 10 might be other items in it but --

09:33:31 11 A It's probably washcloths is normally what they put on  
09:33:35 12 top of it just to have something in it so it wasn't just an  
09:33:38 13 empty bag.

09:33:38 14 Q And the cash would be put down underneath that --

09:33:41 15 A Correct.

09:33:42 16 Q -- to conceal it?

09:33:45 17 MR. HOWELL: All right. You can take that  
09:33:47 18 down.

09:33:53 19 BY MR. HOWELL:

09:33:53 20 Q Based upon your experience at Redemption, did you get  
09:33:56 21 a general understanding of the types of numbers, the types  
09:33:59 22 of money that were coming in as far as profits go per week?

09:34:02 23 A Yeah, once I started the audit.

09:34:03 24 Q Can you say that again, I'm sorry?

09:34:05 25 A Once I started doing the audits with them, yes.

09:34:08 1 Q Were the profits consistent throughout the year?

09:34:11 2 A No.

09:34:13 3 Q Explain that to the jury, please.

09:34:14 4 A It would always depend on time of year, if there was a  
09:34:18 5 big hit during the week. Expenses, sometimes expenses were  
09:34:24 6 more. But, like, tax season was always a big season. First  
09:34:27 7 of the month was always a big time. But I've seen them lose  
09:34:31 8 money, I've seen them make money.

09:34:33 9 Q All right. In terms of months or seasons, was there a  
09:34:41 10 season where you made more money and less money?

09:34:43 11 A Tax season. So, January to early March.

09:34:49 12 Q All right. How were the summers?

09:34:52 13 A Average. I mean, other than that, it's pretty  
09:34:55 14 average.

09:34:55 15 Q Okay. If I asked you, what's the most profit you can  
09:35:06 16 recall in a week at Redemption during your time there?

09:35:11 17 A Are you asking me based on Jason Kachner's cut?  
09:35:14 18 Because that's normally what I was affiliated with. Or do  
09:35:18 19 you want me to double that and give you a full total?

09:35:20 20 Q Well, let's do them both, okay? Why don't we start  
09:35:23 21 with Mr. Kachner and then do the next one.

09:35:24 22 A I think I've seen him make 25 to 30,000 in a week off  
09:35:28 23 of just Redemption. And then the most I think I've ever  
09:35:31 24 seen Shamrock make in a week was maybe 16,000.

09:35:35 25 Q And that's just his cut?

09:35:36 1 **A** Just his cut. So then you would double that to get  
09:35:44 2 the total number.

09:35:45 3 **Q** I want to write these down again. Can you tell me  
09:35:48 4 again?

09:35:48 5 **A** Jason, 25 to 30 at Redemption would be probably the  
09:35:51 6 biggest I ever seen. And Shamrock, about 16,000, I believe,  
09:35:56 7 was the biggest number I ever seen, that I'm aware of.

09:36:01 8 **Q** And then I think your testimony was double that as far  
09:36:04 9 as what the total profit was?

09:36:05 10 **A** Correct.

09:36:07 11 **Q** For a week?

09:36:07 12 **A** Yes.

09:36:23 13 **Q** Mr. Hull, do you have any criminal background?

09:36:24 14 **A** I do not.

09:36:29 15 MR. KERSEY: What was that? I didn't hear  
09:36:31 16 that, I'm sorry.

09:36:32 17 THE WITNESS: I do not.

09:36:33 18 MR. HOWELL: I asked him if he had any  
09:36:35 19 criminal background.

09:36:37 20 BY MR. HOWELL:

09:36:37 21 **Q** I want to talk a little bit about your dealings with  
09:36:39 22 law enforcement in this case. Okay?

09:36:42 23 **A** Okay.

09:36:43 24 **Q** Do you remember the day of July 11th of 2018?

09:36:46 25 **A** I do.

09:36:46 1 Q How do you remember that day?

09:36:47 2 A I was called early in the morning by Sue Fano at  
09:36:52 3 Shamrock to let me know that there was a police presence at  
09:36:58 4 Redemption and that they thought it was -- either the  
09:37:03 5 customers that told her or the police themselves said they  
09:37:06 6 were state police from Michigan.

09:37:08 7 Q That's what you -- that's what your understanding was?

09:37:10 8 A Yes.

09:37:10 9 Q Okay. So what did you do with that information?

09:37:12 10 A I drove in to the store to talk to them because I  
09:37:17 11 assumed that because Larry had moved to Michigan and he had  
09:37:20 12 a tendency to use drugs, that maybe they were there looking  
09:37:25 13 for Larry.

09:37:26 14 Q And you mentioned that he had a tendency to use drugs,  
09:37:31 15 Larry Dayton, how did you know that?

09:37:32 16 A Sometimes he would come and talk to us about his  
09:37:38 17 troubles.

09:37:38 18 Q All right. And is there a specific drug that you  
09:37:40 19 became familiar with that he was using?

09:37:42 20 A I do not know, no.

09:37:44 21 Q So you assumed that this had something to do with  
09:37:48 22 Mr. Dayton, and you said that you responded to the store.

09:37:49 23 What store did you respond to?

09:37:50 24 A I went to Redemption.

09:37:54 25 Q Walk us through, what do you see when you get there



09:37:57 1 and what happens?

09:37:57 2 **A** So I see the -- first thing I noticed was the parking  
09:38:00 3 lot was empty, and the parking lot was never empty. The  
09:38:04 4 door was cracked. The door was never left open.

09:38:07 5 And I grabbed the door to open it, and a police  
09:38:11 6 officer -- well, it wasn't a police officer, it was -- I  
09:38:15 7 don't know exactly what agency it was because there was  
09:38:17 8 multiple agencies there. He shut the door and said, we're  
09:38:21 9 closed. And I told him, I'm the -- I'm the manager here.  
09:38:23 10 And he said, oh, well, thanks for showing up, and he let me  
09:38:27 11 in.

09:38:27 12 **Q** Okay. When you say there were multiple agencies  
09:38:30 13 there, did you see Secret Service there?

09:38:32 14 **A** Secret Service, FBI, and I believe IRS were all there.

09:38:36 15 **Q** Okay. Were you able to tell that, they're wearing  
09:38:40 16 those, like, little jackets?

09:38:42 17 **A** Yeah, they wore -- looked like bulletproof vests, but  
09:38:45 18 it could have just been like a big thick jacket that they  
09:38:49 19 were wearing.

09:38:49 20 **Q** What's going through your head?

09:38:51 21 **A** This isn't good.

09:38:53 22 **Q** So what did you do?

09:38:55 23 **A** They asked me to come into the room where there was  
09:38:58 24 nobody at, and they just sat down and asked me if I had --  
09:39:01 25 they said, we're really not wanting to break these machines

09:39:04 1 open. Do you have the keys? And I said, yes, I have the  
09:39:08 2 keys. So I gave them the keys.

09:39:09 3 And then they were like -- they said, can you show us  
09:39:12 4 how to open them and take the money out and everything? And  
09:39:14 5 I showed them how to do all that.

09:39:20 6 **Q** So within a couple of seconds of interacting with  
09:39:22 7 them, you've admitted that you're the manager and now you're  
09:39:25 8 giving them the keys to open everything; right?

09:39:27 9 **A** Correct.

09:39:28 10 **Q** Did they ask any questions?

09:39:30 11 **A** They asked me how we kept track of everything. I  
09:39:34 12 showed them the paperwork that we had.

09:39:36 13 They had a lot of it already ripped down and sat  
09:39:39 14 there. I just kind of showed them through most of it and  
09:39:42 15 explained what the -- what we did.

09:39:46 16 And then I told them that -- I showed them the license  
09:39:48 17 from the Stark County Sheriff's and said that this says that  
09:39:52 18 we're legal to operate, and they didn't care about that.

09:39:56 19 **Q** Okay. Did they ask you any further questions that you  
09:40:00 20 recall? I mean, I'm not asking you to tell the jury what  
09:40:03 21 they said to you, but just in general, did they question --

09:40:07 22 **A** They questioned me who the owner -- oh, I'm sorry.

09:40:08 23 **Q** That was my fault. I couldn't spit it out.

09:40:11 24 Did they question you any further?

09:40:13 25 **A** They questioned who the owners were, or if I knew who

09:40:19 1 owned the facility.

09:40:19 2 **Q** And did you give them answers?

09:40:20 3 **A** I told them Jason Kachner.

09:40:22 4 **Q** All right.

09:40:23 5 **A** And Tom Helmick is what -- yeah.

09:40:25 6 **Q** And Tom Helmick?

09:40:26 7 **A** Yeah.

09:40:35 8 **Q** What happens after that that day?

09:40:36 9 **A** They sent me on my way. And I didn't hear anything  
09:40:39 10 again probably for 2 months.

09:40:40 11 **Q** All right. Before we get into that -- we'll talk  
09:40:42 12 about that in just a second.

09:40:44 13 But that specific day or the couple days after, did  
09:40:46 14 you have any contact with Mr. Helmick?

09:40:50 15 **A** I don't believe I talked to Mr. Helmick. I did talk  
09:40:53 16 to Jason Kachner.

09:40:55 17 **Q** All right. At some point did you go back to  
09:40:57 18 Redemption?

09:40:57 19 **A** I did. Sorry, I did.

09:40:59 20 I went back, and Kake said that we could take the  
09:41:03 21 supplies. So, there were boxes of water, pop, trash bags,  
09:41:10 22 anything, he said, take whatever you want. And I loaded up  
09:41:14 23 my truck and took a bunch of household supplies and pop and  
09:41:18 24 all that. And then I left my keys with Tom.

09:41:22 25 **Q** So, do you recall -- I know it was a long time ago.

09:41:26 1 Do you recall how long after July 11th this was,  
09:41:29 2 approximately?

09:41:29 3 **A** I don't.

09:41:30 4 **Q** Or was it the same day?

09:41:31 5 **A** It could -- I don't -- I don't recall. I don't.

09:41:33 6 **Q** That's fine.

09:41:34 7 So you say that Kake -- that's Jason Kachner; right?

09:41:37 8 **A** Yes.

09:41:37 9 **Q** That's who reached out to you.

09:41:40 10 When you go to Redemption, do you recall, was anyone  
09:41:42 11 else there?

09:41:43 12 **A** When I first went there when the police presence was  
09:41:46 13 there or when I went back?

09:41:48 14 **Q** The supplies that you're telling us about.

09:41:51 15 **A** There were two or three other people there. I don't  
09:41:53 16 remember who they were. But I remember sitting out on the  
09:41:56 17 picnic table talking about what had happened.

09:41:58 18 **Q** I think you mentioned that you gave the keys to  
09:42:01 19 Mr. Helmick. Do you recall where and when you did that?

09:42:04 20 **A** That day, whenever we met and did the supplies,  
09:42:08 21 because we had to wait because the keys were inside still.  
09:42:13 22 They had shut the door. We weren't able to get in. So we  
09:42:16 23 actually had to call that Lamb Glass place that's on the  
09:42:20 24 Shamrock place for them to come open the doors for us.

09:42:22 25 **Q** Did you hand the keys to Thomas Helmick in person?

09:42:25 1 **A** Yeah. So when I went in, the keys were on the -- like  
09:42:28 2 where the cashier stood. There was like a little -- almost  
09:42:31 3 like a half table like this. And they were sitting there.  
09:42:34 4 And I grabbed them and I said, well, I don't need these  
09:42:37 5 anymore, and I handed them off to him.

09:42:38 6 **Q** So he was there?

09:42:40 7 **A** Tom was there when we did the supplies, when I grabbed  
09:42:44 8 the supplies, yes.

09:42:45 9 **Q** Okay. All right. And I think you started to talk  
09:42:50 10 about this. You spoke to law enforcement the day of.

09:42:53 11 At some point were you contacted by law enforcement?

09:42:56 12 **A** Yes.

09:42:58 13 **Q** So if I say October of 2018, does that sound right?

09:43:01 14 **A** That sounds about right, yes.

09:43:02 15 **Q** How were you contacted?

09:43:04 16 **A** They went to my house, but I was at work.

09:43:07 17 **Q** And did they pass on a message or leave something for  
09:43:10 18 you?

09:43:10 19 **A** Yeah. So my wife was home for lunch. She went home  
09:43:12 20 for lunch every day to let the dogs out, and as she was  
09:43:18 21 leaving for work she was contacted by two agents.

09:43:20 22 And she said -- she texted me, and I said just give  
09:43:23 23 them my number. And they ended up calling me and setting up  
09:43:26 24 a meeting.

09:43:27 25 **Q** And does October 2018 sound about right when that

09:43:31 1 happened?

09:43:31 2 **A** That sounds about right, yes.

09:43:32 3 **Q** And did you go to a meeting?

09:43:33 4 **A** I did.

09:43:34 5 **Q** Where -- do you recall where that meeting was?

09:43:35 6 **A** It was downtown Canton.

09:43:38 7 **Q** And who did you meet with, if you recall?

09:43:41 8 **A** Mr. Paul and there was another guy. I don't remember  
09:43:44 9 who the other guy was.

09:43:45 10 **Q** When you say Mr. Paul, is that Jeff Paul?

09:43:47 11 **A** Yes.

09:43:48 12 **Q** IRS agent?

09:43:48 13 **A** Yes.

09:43:51 14 **Q** Did you sit down and go over an interview with them  
09:43:54 15 about your role in this?

09:43:55 16 **A** Yes.

09:43:56 17 **Q** Did you answer their questions truthfully?

09:43:59 18 **A** Yes.

09:44:00 19 **Q** Did you meet with them anytime after that?

09:44:03 20 **A** I believe I had one more meeting with them, but I  
09:44:06 21 can't recall how long it was after that.

09:44:07 22 **Q** Did you meet me at some point?

09:44:09 23 **A** I did.

09:44:10 24 **Q** Do you recall what the circumstances of that were?

09:44:12 25 **A** Before grand jury.

09:44:14 1 Q Okay. So did you testify in grand jury in this case?

09:44:17 2 A I did.

09:44:20 3 Q Did you and I have any discussions in regards to  
09:44:23 4 whether you were going to be charged in this case?

09:44:25 5 A Yes.

09:44:26 6 Q What were those discussions?

09:44:28 7 A You said that I was the subject of the investigation  
09:44:31 8 which could or could not lead to me being charged with  
09:44:35 9 something.

09:44:36 10 Q All right. And did I tell you that before you  
09:44:38 11 testified in grand jury?

09:44:39 12 A Yes.

09:44:40 13 Q And let the jury know, what's your understanding of  
09:44:42 14 what I told you, what could happen at the end of grand jury?

09:44:46 15 A That I could be charged.

09:44:49 16 Q Did I tell you of your rights?

09:44:51 17 A Oh, yes. Yeah.

09:44:53 18 Q And did you agree to testify anyway?

09:44:55 19 A Yes.

09:45:03 20 Q I'm going to go through a couple of quick photos with  
09:45:07 21 you. Okay?

09:45:07 22 A Okay.

09:45:08 23 MR. HOWELL: Can we pull up Government  
09:45:10 24 Exhibit 438, please?

09:45:14 25 BY MR. HOWELL:

09:45:15 1 Q Do you recognize this?

09:45:15 2 A Yes. That's Redemption.

09:45:18 3 Q Is that that front door with the buzzer you were  
09:45:21 4 telling us about?

09:45:21 5 A Yes.

09:45:22 6 Q And the windows here, if I tell you this photo is  
09:45:26 7 July 11th, 2018, does that sound right?

09:45:28 8 A Yes.

09:45:29 9 Q Is that what it looked like at that time?

09:45:31 10 A Yes.

09:45:31 11 Q Can you see in the windows?

09:45:32 12 A No.

09:45:33 13 Q All right.

09:45:36 14 MR. HOWELL: Government Exhibit 437.

09:45:43 15 BY MR. HOWELL:

09:45:44 16 Q Do you recognize this?

09:45:44 17 A Yes. That's the front room of Redemption.

09:45:51 18 MR. HOWELL: Government Exhibit 474.

09:45:56 19 BY MR. HOWELL:

09:45:56 20 Q Do you recognize that?

09:45:57 21 A Yes. That's the same room, just taken the opposite  
09:46:01 22 way.

09:46:08 23 MR. HOWELL: Government Exhibit 402, please.

09:46:12 24 BY MR. HOWELL:

09:46:13 25 Q Do you recognize that?



09:46:14 1 A Yes. That's the Skilled Shamrock.

09:46:21 2 Q Did you ever paint that building?

09:46:22 3 A I did. I did.

09:46:24 4 Q Do you recall approximately when you did that and why?

09:46:27 5 A It was cold, I remember that, so it had to be late  
09:46:31 6 winter, early spring. I don't know why we painted it; I was  
09:46:35 7 just told to paint it by Mr. Kachner.

09:46:37 8 Q What color did you paint it?

09:46:39 9 A Yellow.

09:46:40 10 Q All right. Did you paint any other building yellow?

09:46:43 11 A Cafe 62.

09:46:44 12 Q Who told you to do that?

09:46:45 13 A Mr. Kachner.

09:46:46 14 Q All right. Why would you go to Cafe 62?

09:46:50 15 A Because Kake said, I'll pay you a couple hundred bucks  
09:46:55 16 to paint a building, so I went down there and painted a  
09:46:58 17 building.

09:46:59 18 Q What was your understanding of his role at that  
09:47:02 19 building, if any?

09:47:02 20 A Part owner.

09:47:04 21 Q Do you know who he owned that with?

09:47:06 22 A I believe it was Steve Saris.

09:47:08 23 Q Okay.

09:47:12 24 MR. HOWELL: Government Exhibit 400, please.

09:47:14 25 BY MR. HOWELL:

09:47:17 1 Q What do we see here?

09:47:18 2 A That's inside the Skilled Shamrock.

09:47:24 3 MR. HOWELL: Government Exhibit 404, please.

4 BY MR. HOWELL:

09:47:28 5 Q What do we see here?

09:47:30 6 A Those are machines on the front wall of the Skilled  
09:47:33 7 Shamrock.

09:47:33 8 Q All right. Specifically, what do we see on the screen  
09:47:36 9 here?

09:47:37 10 A Pot-O-Gold.

09:47:40 11 Q And is that what you were referring to when you were  
09:47:42 12 talking about the Pot-O-Golds earlier?

09:47:44 13 A Yes.

09:47:44 14 Q And is that -- it says "touch screen" right there;  
09:47:47 15 right?

09:47:47 16 A Correct.

09:47:48 17 Q Okay.

09:47:54 18 MR. HOWELL: Your Honor, I've discussed with  
09:47:56 19 defense counsel in regards to Government Exhibit 477. It's  
09:48:01 20 a demonstrative we have in the courtroom. With talking with  
09:48:04 21 defense counsel, it was agreed that we would inform the jury  
09:48:07 22 this particular machine was not taken from Skilled Shamrock  
09:48:09 23 or Redemption. And we were going to ask the Court's  
09:48:13 24 permission for Mr. -- I'm going to ask for the Court's  
09:48:15 25 permission for Mr. Hull to step down and demonstrate on

09:48:19 1 this, plug it in and operate it. But we want to be clear  
09:48:22 2 that any of the numbers that come up or anything they may  
09:48:24 3 see if we get to the audit screen has nothing to do with  
09:48:27 4 Redemption or Skilled Shamrock.

09:48:29 5 THE COURT: Okay. That sounds fair.

09:48:31 6 MR. HOWELL: Thank you, Your Honor.

09:48:32 7 May Mr. Hull step down to refer --

09:48:35 8 THE COURT: Sure.

09:48:36 9 MR. HOWELL: -- to Government Exhibit 477?

09:48:38 10 THE COURT: Now, if you're going to speak,  
09:48:41 11 speak up so we can hear you. Okay?

09:48:44 12 THE WITNESS: Okay.

09:48:44 13 MR. HOWELL: I was going to grab a microphone.

09:48:53 14 Your Honor, may I step up here and get one as well?

09:48:56 15 THE COURT: Sure.

09:48:57 16 COURTROOM DEPUTY: You can just talk into it.

09:49:12 17 BY MR. HOWELL:

09:49:13 18 **Q** All right, Mr. Hull. First of all, are you -- I think  
09:49:17 19 we talked a little bit earlier in your testimony, this  
09:49:19 20 particular machine, Government Exhibit 477, when did you see  
09:49:23 21 this?

09:49:24 22 **A** Yesterday.

09:49:25 23 **Q** All right. And were you able to operate it?

09:49:27 24 **A** Yes.

09:49:28 25 **Q** Did you come in this morning, it was not working too

09:49:31 1 well and you got it working?

09:49:32 2 **A** Yes.

09:49:32 3 **Q** And how were you able to do that?

09:49:35 4 **A** Previous knowledge of messing with the machines.

09:49:37 5 **Q** Okay. When you operated this yesterday when we turned  
09:49:41 6 it on in the office downstairs, did it come on?

09:49:46 7 **A** Yes.

09:49:47 8 **Q** All right. What came on the screen?

09:49:49 9 **A** Pot-O-Gold.

09:49:50 10 **Q** And similar to the exhibit we just looked at and what  
09:49:52 11 you told us about, same type of software?

09:49:55 12 **A** Yes.

09:49:55 13 **Q** And were you able to operate it?

09:49:56 14 **A** Yes.

09:49:57 15 **Q** And actually play games yesterday; right?

09:50:00 16 **A** Yes.

09:50:01 17 **Q** Okay. All right. You can go ahead and turn it on.

09:50:06 18 **A** (Witness complies).

09:50:23 19 **Q** What do we see here?

09:50:26 20 **A** That would be the 777s game. If you exit here, it  
09:50:30 21 will give you every game available to play.

09:50:37 22 **Q** And if possible, when you turn it on, is that when  
09:50:41 23 that Pot-O-Gold screen comes on, generally?

09:50:44 24 **A** Generally, yeah. It will load itself, too, every 5,  
09:50:49 25 10 minutes. It will reset and show you the Pot-O-Gold

09:50:52 1 screen and then go to a different game.

09:50:53 2 **Q** All right. Now, before we start getting into the

09:50:55 3 touch screen here, you mentioned that the customers

09:50:58 4 typically with these machines would be able to put in cash.

09:51:01 5 **A** Yes.

09:51:01 6 **Q** Can you show the jury where that would go?

09:51:04 7 **A** The cash would go in here (indicating) into a bill

09:51:08 8 acceptor.

09:51:09 9 **Q** And for purposes of the record, you just pulled down

09:51:11 10 that front panel and you're pointing to what?

09:51:13 11 **A** A bill acceptor.

09:51:14 12 **Q** Okay. And go ahead and put that back up.

09:51:16 13 And just so we're clear, yesterday, did you repair

09:51:20 14 that so it worked?

09:51:20 15 **A** Yes.

09:51:21 16 **Q** How did do that?

09:51:22 17 **A** With a rubber band.

09:51:23 18 **Q** How did you know to use a rubber band?

09:51:26 19 **A** Time -- time at Redemption and Shamrock.

09:51:29 20 **Q** Okay. So, also, on this particular thing, generally

09:51:35 21 speaking, were there usually -- you mentioned keys for the

09:51:38 22 machines. What would you need keys for the machine for?

09:51:40 23 **A** So this would be locked, so I would have a key that

09:51:44 24 would unlock that. Or we'd have a padlock on it. We

09:51:49 25 normally went with padlocks because people had a tendency

09:51:53 1 to -- we've seen -- people would be able to duplicate these  
09:51:55 2 keys, so we just went with a padlock that we would only have  
09:51:58 3 the key for.

09:51:59 4 **Q** Why would someone want to open that?

09:52:00 5 **A** Because that's where all the money's at.

09:52:02 6 **Q** All right. Is there anything else back there that a  
09:52:05 7 customer may be interested in?

09:52:06 8 **A** So if you open this up, if you click this switch, it  
09:52:11 9 should send you to the audit screen and everything. It  
09:52:15 10 could be loose here.

09:52:19 11 There you go. It was just a little loose.

09:52:21 12 So this is where you can change the percentages in the  
09:52:26 13 game config and do the terminal audit. Those are the two  
09:52:31 14 main things I ever messed with.

09:52:32 15 **Q** All right. So the win percentage, can you go ahead  
09:52:35 16 and click on that?

09:52:36 17 **A** (Witness complies).

09:52:44 18 **Q** All right. And you clicked on that, and what did that  
09:52:47 19 little touch screen say that you clicked on?

09:52:48 20 **A** Game config.

09:52:49 21 **Q** Okay. And what are we looking at now?

09:52:51 22 **A** These are all available games. The green ones are the  
09:52:55 23 games that are active to play. The red ones are the games  
09:52:58 24 that are not active to play.

09:52:59 25 **Q** Okay. And in regards to win percentage, what, if

09:53:04 1 anything, do you see there?

09:53:05 2 **A** It will tell you the percentage. If you click on,  
09:53:09 3 let's say, Superball Keno, it gives you the percentage here.  
09:53:15 4 Payout, 94.35 percent.

09:53:17 5 **Q** All right. Are you able to -- I'm not asking you to  
09:53:19 6 do it on this one right now, but can you change that?

09:53:22 7 **A** Yeah. So with that button engaged, you can click  
09:53:25 8 "view next pay table" and it will go up a percent, or you  
09:53:28 9 can "view previous pay table," it will go down a percent.  
09:53:32 10 Now, it might not be, like, 1 percent. It jumps based off  
09:53:35 11 of the software, but. . .

09:53:38 12 **Q** So, in order for you to be able to do that, how long  
09:53:41 13 did it take you to learn how to do that?

09:53:45 14 **A** 5 minutes of someone showing me.

09:53:47 15 **Q** And you just use a key to open that if it's locked?

09:53:49 16 **A** Um-hmm.

09:53:50 17 **Q** Where did the keys usually remain while other people  
09:53:53 18 other than yourself were working, for example, at  
09:53:56 19 Redemption?

09:53:57 20 **A** For the -- to get in the machines? The keys were  
09:54:00 21 always -- Kake had a set, Jason had a set, and I had a set.

09:54:05 22 **Q** What if you weren't there?

09:54:06 23 **A** Then I would give the keys to Thomas. He would  
09:54:09 24 usually cover for me if I wasn't available.

09:54:11 25 **Q** Okay. All right. Now, can you go back out of there?

09:54:15 1 And I want to show the jury some of the games that you  
09:54:21 2 talked about.

09:54:21 3 **A** You want all the way out or just out of this page?

09:54:24 4 **Q** I mean, can you change the win percentages for all of  
09:54:28 5 those games the same way?

09:54:29 6 **A** Yes.

09:54:30 7 **Q** All right. Then let's just go ahead and go back and  
09:54:33 8 let's actually go ahead and play a little bit here.

09:54:41 9 All right. And the games that you talked about  
09:54:44 10 earlier in regards to what the most popular games were based  
09:54:47 11 on your experience, do you see those games there?

09:54:50 12 **A** Yes. Superball Keno and 777s.

09:54:53 13 **Q** Let's start with the 777s.

09:55:01 14 And what do we see here after you clicked on that?

09:55:04 15 **A** So this is the main page. The minimum bet is \$0.05.  
09:55:09 16 It plays the only line across the middle. Every \$0.05 up to  
09:55:14 17 eight lines will give you every line covered for a minimum  
09:55:18 18 bet of \$0.40 to cover every line.

09:55:20 19 **Q** Okay. If you were a customer and you wanted to play  
09:55:23 20 that, do you have to do anything before you can play?

09:55:25 21 **A** I mean, technically you could just spin it right now.  
09:55:28 22 You would only be playing one line. Most people played at  
09:55:31 23 least \$0.40, so they would move their bet up.

09:55:34 24 **Q** And so what does it say on the credits there?

09:55:36 25 **A** Says \$2.25.



09:55:38 1 Q And did you see how it got up to that yesterday?

09:55:41 2 A Yes. You put \$1 in, spun it once, and won 1.25.

09:55:47 3 Q So I was pretty lucky yesterday.

09:55:48 4 All right. So there's credits on there, so are you  
09:55:51 5 able to play?

09:55:51 6 A Yes.

09:55:52 7 Q And before you do it, can you just let the jury know,  
09:55:55 8 what does it take for you to play this, to get it to spin?

09:55:57 9 A You can either hit the "play" button or you can hit  
09:56:01 10 the "spin" button on the screen.

09:56:02 11 Q All right. And can you go ahead and -- let's go ahead  
09:56:05 12 and hit the button on the screen there.

09:56:07 13 A (Witness complies).

09:56:12 14 Q And just describe for purposes of the record -- and to  
09:56:16 15 get on the court reporter -- when you hit that "play"  
09:56:19 16 button, what happened?

09:56:20 17 A It spun the reels and I was not a winner.

09:56:24 18 Q And when you say you weren't a winner, what do we see  
09:56:27 19 on the -- what would -- what means you're not a winner on  
09:56:29 20 that screen?

09:56:30 21 A If there's -- if you're a winner, it gives you a red  
09:56:34 22 line across the winning line. So, like if you won across  
09:56:39 23 the middle line, there would be a red line all the way  
09:56:42 24 across it, and then your credits would ring up.

09:56:44 25 Q And so just so we're clear, all you did was hit that

09:56:48 1 button once and you didn't touch the machine, and it did

09:56:51 2 what it was going to do?

09:56:53 3 **A** Right.

09:56:53 4 **Q** How many credits do we have left there?

09:56:55 5 **A** \$2.20.

09:56:57 6 **Q** Can you hit it one more time?

09:56:59 7 **A** (Witness complies).

09:57:03 8 **Q** What happened there?

09:57:04 9 **A** I lost again.

09:57:05 10 **Q** All right. One more time.

09:57:07 11 **A** I lost again.

09:57:08 12 **Q** One more time on the game.

09:57:09 13 **A** Oh. Okay.

09:57:12 14 (Witness complies).

09:57:16 15 **Q** Man, you need me to come up there?

09:57:19 16 **A** That's why I never played.

09:57:20 17 **Q** All right. I'm sorry.

09:57:22 18 Could we switch over to the popular Keno game that you  
09:57:25 19 referred to?

09:57:27 20 **A** Superball Keno.

09:57:30 21 So, most people play between 4 and 10 numbers. The  
09:57:35 22 people that came in more often played lower numbers. The  
09:57:38 23 people that were there just to try to hit once always played  
09:57:41 24 10 trying to get the big winner. But you just pick numbers.  
09:57:46 25 So, that's 9 numbers. If you hit 9 out of 9, it would be

09:57:51 1 250. But if you hit 9 out of 9 with a bounce, I believe it  
09:57:55 2 is four times. So that would be a thousand dollars.

09:57:56 3 Q All right. And what do you need to do -- I saw you  
09:57:59 4 just touch the screen and you selected a couple numbers  
09:58:02 5 there. And then what do you do to play?

09:58:04 6 A So I picked my numbers. Right now my bet is \$0.25.  
09:58:07 7 And then you just hit "play game."

09:58:15 8 There you go. So I won \$0.50.

09:58:18 9 Q There you go. Fourth time's a charm. All right.

09:58:26 10 (Counsel conferring).

09:58:31 11 MR. HOWELL: Thank you, Your Honor. I don't  
09:58:32 12 have any further questions for Mr. Hull.

09:58:34 13 THE COURT: Okay. Folks, it's about --

09:58:36 14 Go ahead, sit down.

09:58:38 15 It's about 10 o'clock. I do have another matter to  
09:58:41 16 attend to at 10:00 here in court so we might be a little bit  
09:58:45 17 longer than -- well, I say 15 minutes, but you know what  
09:58:48 18 that means. And, so, refresh yourself. And then after I  
09:58:52 19 finish this little business in court, of course, Heather  
09:58:55 20 needs a break, right? So that's why it takes a little  
09:58:58 21 longer.

09:58:59 22 So keep in mind the admonition. We'll see you in  
09:59:02 23 about 20 minutes or so.

09:59:04 24 COURTROOM DEPUTY: All rise.

09:59:06 25 (Jury excused from courtroom and recess taken at 9:59 a.m.)

10:36:28 1 COURTROOM DEPUTY: All rise for the jury.

10:36:53 2 (Jury returned to courtroom at 10:36 a.m.)

10:36:53 3 COURTROOM DEPUTY: Court is in session.

10:36:55 4 Please be seated.

10:36:56 5 THE COURT: Well, folks, again, sorry for the  
10:36:58 6 little delay. And if you get frustrated, get angry with me,  
10:37:03 7 not the lawyers, because they're all here raring to go. And  
10:37:07 8 we had another hearing that had to take place who we have --  
10:37:09 9 I can tell you about it. Sometimes it's interesting.

10:37:11 10 You know, there are laws in the United States. Some  
10:37:14 11 people are prohibited from possessing a firearm, and there  
10:37:21 12 are different reasons for it. One of the reasons is if you  
10:37:24 13 are -- previously been convicted of a felony offense, you  
10:37:27 14 can't possess a firearm.

10:37:28 15 Well, people have ways of getting around that. They  
10:37:31 16 try to anyway. We had a fellow from California who got his  
10:37:35 17 girlfriend, poor girl, to go and buy a bunch of firearms for  
10:37:41 18 him at different stores in and around Los Angeles, and then  
10:37:46 19 he would sell them. And then these guns were detected in  
10:37:50 20 Minnesota and Massachusetts and a couple other -- like 25  
10:37:55 21 guns and -- because he was selling them to people who  
10:37:58 22 otherwise couldn't get guns, you know, by going to a gun  
10:38:00 23 store where you have to sign up stuff.

10:38:02 24 And eventually the police or the Secret Service or DEA  
10:38:06 25 did a great job and tracked him down and then picked him up.

10:38:12 1 And then he was convicted here, and he had to get sentenced  
10:38:16 2 here, but -- so you never know.

10:38:18 3 But sometimes it takes a little bit extra time. So,  
10:38:20 4 again, if you're frustrated, take it out on me, not on the  
10:38:24 5 case. Okay?

10:38:25 6 And with that, Mr. Goldberg, you're up.

10:38:28 7 MR. GOLDBERG: Thank you, Your Honor.

10:38:29 8 - - - - -

9 CROSS-EXAMINATION OF RONNIE HULL

10 BY MR. GOLDBERG:

10:38:31 11 Q Good morning, Mr. Hull.

10:38:32 12 A Good morning.

10:38:34 13 Q So we -- you work at the post office now?

10:38:39 14 A Yes, sir.

10:38:39 15 Q Were you ever a letter carrier?

10:38:41 16 A I was.

10:38:42 17 Q Okay. Are there any rules for letter carriers if you  
10:38:46 18 see something, say something, if you see drugs, animal being  
10:38:51 19 mistreated or something like that while you're on your  
10:38:53 20 route?

10:38:53 21 A Yeah.

10:38:53 22 Q Okay. And that's only reasonable. You're out in the  
10:38:58 23 neighborhood, if you see something, you should report it;  
10:39:00 24 right?

10:39:01 25 A Yes.

10:39:01 1 Q Okay. Now, the last couple questions you answered for  
10:39:08 2 Mr. Howell involved the Pot-O-Gold machine over there by the  
10:39:11 3 jury box; right?

10:39:13 4 A Correct.

10:39:14 5 Q Okay. And you indicated that it could be set for win  
10:39:17 6 percentage. I'm not sure that's the exact term, but --

10:39:22 7 A Yes, you can change the percentage.

10:39:24 8 Q Okay. So, did you ever perform that function at  
10:39:29 9 either one of these stores?

10:39:30 10 A Yes.

10:39:31 11 Q Whose job was it to make sure that those payouts were  
10:39:36 12 the proper -- set at the proper level?

10:39:40 13 A It was really no one's job. It was more of a -- like,  
10:39:45 14 if the machine rebooted or there was new software put in, a  
10:39:48 15 customer would complain about --

10:39:51 16 Q Okay.

10:39:51 17 A -- a percentage.

10:39:52 18 Q And they would know as soon as there was a problem?

10:39:55 19 A Correct.

10:39:55 20 Q And would you say Mr. Kachner was in charge of the  
10:39:58 21 machines and making sure that they are running properly?

10:40:01 22 A At Redemption.

10:40:02 23 Q At Redemption?

10:40:03 24 A Yes.

10:40:04 25 Q Okay. And would he be the one who usually set the

10:40:10 1 payouts?

10:40:10 2 **A** Yes.

10:40:11 3 **Q** Okay. Now, as far as you know, were the payouts all  
10:40:15 4 set to a -- fairly?

10:40:20 5 **A** Yes.

10:40:21 6 **Q** Okay.

10:40:21 7 **A** Yes.

10:40:22 8 **Q** Yeah. So, any customer who ever played at either one  
10:40:26 9 of these two stores never got cheated by those machines  
10:40:32 10 intentionally?

10:40:32 11 **A** Correct.

10:40:33 12 **Q** Okay. And nobody ever lost money that was not part of  
10:40:42 13 the -- whatever it was, 7 percent or whatever the non-payout  
10:40:46 14 was?

10:40:48 15 **A** Correct.

10:40:48 16 **Q** Okay. Fair machine; correct?

10:40:53 17 **A** As fair as a machine can go, yes.

10:40:55 18 **Q** Right. If you're gambling, you're going to lose  
10:40:58 19 sometimes and you're going to win sometimes?

10:41:00 20 **A** Correct.

10:41:01 21 **Q** Okay. So, I just wanted to make sure that this part  
10:41:05 22 of it's clear. Mr. Kachner and nobody else told -- that you  
10:41:09 23 know of, ever told anyone to make the machines pay out less  
10:41:13 24 than the customers expected?

10:41:16 25 **A** Correct.

10:41:17 1 Q Now, you testified to weekly amounts, the maximums  
10:41:23 2 from either store; right?

10:41:25 3 A Yes.

10:41:25 4 Q Now, those stores would occasionally lose money?

10:41:30 5 A Correct.

10:41:30 6 Q Correct?

10:41:30 7 A Yes, sir.

10:41:31 8 Q Okay. And what's the most money you saw them lose in  
10:41:35 9 a particular week?

10:41:36 10 A I believe I seen -- maybe the most I've ever seen  
10:41:40 11 Redemption lose was like 5,000 and maybe Shamrock a thousand  
10:41:43 12 or two.

10:41:43 13 Q And how often would that happen?

10:41:45 14 A Not very often.

10:41:46 15 Q Okay. So, but you don't -- you have not retained any  
10:41:51 16 records of those weekly payouts or losses?

10:41:56 17 A No, sir.

10:41:58 18 Q Why not?

10:42:01 19 A Wasn't my responsibility to retain.

10:42:03 20 Q Whose responsibility was that?

10:42:06 21 A At Redemption it would have been Kachner, and at  
10:42:09 22 Shamrock it would have been Moneypenny.

10:42:11 23 Q Okay. And Kachner also was basically the owner and  
10:42:18 24 manager of Redemption?

10:42:19 25 A Correct.



10:42:19 1 Q And he was one of the owners and one -- and a manager  
10:42:23 2 of Shamrock?

10:42:24 3 A Correct.

10:42:25 4 Q And he made decisions about hiring and firing  
10:42:28 5 individuals?

10:42:28 6 A Yes, sir.

10:42:31 7 Q Hours of operation?

10:42:32 8 A Yes.

10:42:33 9 Q Who was allowed in?

10:42:35 10 A Yes.

10:42:39 11 Q Am I correct in understanding that until this raid  
10:42:47 12 occurred -- we'll call it a raid, search warrant execution --  
10:42:50 13 in July of 2018, you thought that what was going on in these  
10:42:55 14 two places was completely legal?

10:42:57 15 A Yes, sir. Yes, sir.

10:42:59 16 Q Okay. And that was because of the licensure?

10:43:03 17 A The license and then reaffirmation from Mr. Kachner  
10:43:09 18 saying that we were legal. I had no other reason to expect  
10:43:12 19 it not to be.

10:43:13 20 Q Okay. He told you this is all legal and totally up to  
10:43:16 21 snuff?

10:43:17 22 A Yeah. He always explained there's 70 of these in  
10:43:21 23 Canton and we're not hiding anything. If it wasn't legal,  
10:43:28 24 why would it be open?

10:43:29 25 Q How many in Canton?

10:43:31 1 **A** I'm estimating, there was probably 70 of them in  
10:43:34 2 Canton.

10:43:34 3 **Q** Okay. And there was nothing on the outside of these  
10:43:38 4 stores to hide what was going on inside; right?

10:43:40 5 **A** Other than the tinted windows.

10:43:42 6 **Q** Okay. Okay. Well, you lived in Las Vegas. Are there  
10:43:46 7 windows in casinos that aren't tinted?

10:43:49 8 **A** No.

10:43:49 9 **Q** Okay. And there were signs on -- maybe not on these  
10:43:55 10 two stores, but you're familiar with the other skill game  
10:43:58 11 rooms in the area. There were signs with flashing money  
10:44:02 12 signs; correct?

10:44:03 13 **A** Yeah. Some said "win cash here."

10:44:05 14 **Q** Okay. "Win cash here."  
10:44:06 15 Money signs; right?

10:44:07 16 **A** Yes.

10:44:08 17 **Q** Okay. And while you were at both these stores, it  
10:44:13 18 wasn't unusual for government investigators, either law  
10:44:19 19 enforcement or health department, to come into the store;  
10:44:21 20 right?

10:44:22 21 **A** I was present for a few times the sheriffs came  
10:44:25 22 regarding, like, someone stealing a purse. And then every  
10:44:29 23 year the fire marshal and the zoning came in.

10:44:32 24 **Q** Okay. And did Mr. Kachner tell you, better hide the  
10:44:37 25 money, don't make any payouts during that time?

10:44:39 1 A No.

10:44:41 2 Q Okay. What about health department? Did they ever  
10:44:45 3 come in?

10:44:47 4 A A lot.

10:44:48 5 Q How often would you say?

10:44:52 6 A Once or twice a month, depending on when we were  
10:44:56 7 getting close to paying off the fines, probably.

10:44:58 8 Q Okay. So, my understanding is that there were a  
10:45:02 9 substantial amount of fines assessed against, was it  
10:45:09 10 Shamrock or Redemption, for smoking?

10:45:11 11 A Both. Normally Redemption got hit the hardest.

10:45:16 12 Q Okay. So health department would come in, see people  
10:45:19 13 smoking. You're not allowed to smoke inside, you'd get a  
10:45:22 14 ticket?

10:45:22 15 A Correct.

10:45:23 16 Q And to your understanding, was -- by -- how much was  
10:45:26 17 the most that Redemption owed in smoking fines?

10:45:32 18 A I'm unaware.

10:45:33 19 Q Well, didn't you tell the government that it was  
10:45:36 20 somewhere around a hundred thousand dollars?

10:45:38 21 A For -- I've heard from Tom say that it was in the  
10:45:42 22 hundreds of thousands, but I don't know for sure.

10:45:44 23 Q Okay. And that -- the only reason that's relevant is  
10:45:48 24 because that means the health department's there often?

10:45:50 25 A Correct.

10:45:50 1 Q And nothing was changed with the way the business was  
10:45:53 2 operated because the health department was there?

10:45:55 3 A Correct.

10:45:56 4 Q And presumably, they had the same rules that you have  
10:45:59 5 as a postal carrier, if you see something, you say  
10:46:03 6 something; right?

10:46:04 7 A I can't answer that.

10:46:04 8 Q You don't know, but. . .

10:46:06 9 A Yeah.

10:46:06 10 Q But no one told anybody do anything differently?

10:46:09 11 A No.

10:46:10 12 Q Okay. I'm want to ask you about Mr. Kachner.  
10:46:17 13 You know, you indicated that if the -- if the sheets  
10:46:21 14 were off, if the reconciliations were off, he would get  
10:46:25 15 upset?

10:46:25 16 A Yes.

10:46:26 17 Q Agitated?

10:46:26 18 A Yes.

10:46:27 19 Q Yelling?

10:46:29 20 A Depends on how far they were off.

10:46:31 21 Q Okay. Fair enough.  
10:46:32 22 Was he regularly like that?

10:46:36 23 A Depended on -- he was always worse if his wife was  
10:46:39 24 there.

10:46:40 25 Q He was always --

10:46:41 1 **A** Worse if his wife was there.

10:46:42 2 **Q** You mean more aggressive and confrontational?

10:46:45 3 **A** Yes.

10:46:46 4 **Q** Okay. Now, you said that he was, at least with  
10:46:52 5 Redemption, in charge of the paperwork?

10:46:53 6 **A** Correct.

10:46:53 7 **Q** All right.

10:46:54 8 MR. GOLDBERG: May I approach the witness,  
10:46:57 9 Your Honor?

10:46:57 10 THE COURT: Sure.

10:46:59 11 MR. GOLDBERG: I'm going to show you what's  
10:47:00 12 been marked as Government's Exhibit 447.

13 BY MR. GOLDBERG:

10:47:04 14 **Q** Do you recognize that?

10:47:04 15 **A** Yes.

10:47:07 16 **Q** Okay. Just flip through it real quick and. . .

10:47:17 17 **A** Do you want me to answer anything or just recognize  
10:47:19 18 it?

10:47:19 19 **Q** I just want you to be familiar with what I've handed  
10:47:21 20 you.

10:47:22 21 **A** Okay.

10:47:23 22 **Q** Okay. I mean, if you're done.

10:47:25 23 **A** I believe the rest of it's just the Gaggle System  
10:47:28 24 printouts.

10:47:29 25 **Q** Okay. This is from the Gaggle System?

10:47:31 1 **A** The last pieces you gave me were all Gaggle System  
10:47:34 2 printouts, it looks like.

10:47:35 3 **Q** And what was the front few pages?

10:47:37 4 **A** The front page was the daily sheet. So they would  
10:47:41 5 have had the expenses, cash-outs, what expenses were for  
10:47:45 6 each shift.

10:47:45 7 **Q** Okay. And were these for Redemption or Shamrock?

10:47:49 8 **A** The Redemption and Shamrock had the exact same sheet.

10:47:52 9 **Q** Okay. So, these are the records that would be used  
10:47:57 10 for the weekly audits; correct?

10:48:00 11 **A** Correct.

10:48:01 12 **Q** And it's your testimony that Mr. Kachner would take  
10:48:08 13 possession of these documents when you were done with the  
10:48:10 14 audits?

10:48:10 15 **A** Yes, sir.

10:48:11 16 **Q** Would that explain the reason why we only have one set  
10:48:15 17 from July of 2018?

10:48:17 18 **A** Yes.

10:48:17 19 **Q** Okay. So, Mr. Kachner would take these documents and  
10:48:23 20 he would destroy them; correct?

10:48:24 21 **A** I don't know what he did with them. I would assume he  
10:48:26 22 would destroy them, yes.

10:48:28 23 **Q** Okay. Well, at one point did you tell the government  
10:48:30 24 that he would burn them?

10:48:31 25 **A** He told me before he did, but I don't know if he

10:48:33 1 burned every set. But yes, he did tell me he burned them  
10:48:37 2 before.

10:48:37 3 Q Did anybody else that you know of at either one of  
10:48:40 4 these places destroy any records?

10:48:42 5 A Not that I'm aware of.

10:48:43 6 Q Okay. And obviously you didn't destroy any records?

10:48:45 7 A If he asked me to get rid of them, I just threw them  
10:48:48 8 in the dumpster in the back. So, like if he forgot,  
10:48:50 9 sometimes he forgot to take it with him, he'd say, hey,  
10:48:54 10 please get rid of that paperwork. And I would just take it  
10:48:57 11 to the dumpster and throw it out back in a trash bag.

10:48:57 12 Q Okay. But the documents were either destroyed by  
10:49:00 13 Kachner or destroyed at his direction?

10:49:03 14 A Correct.

10:49:03 15 Q Okay. So you said that Larry Dayton had a drug  
10:49:06 16 problem. I think you said that was why he was phased out  
10:49:10 17 of --

10:49:11 18 A Yes.

10:49:11 19 Q -- the business?

10:49:12 20 Okay. And did he appear to be under the influence at  
10:49:17 21 the business that you could tell?

10:49:19 22 A Sometimes, yes. There was one time when he pretty  
10:49:22 23 much had a mental breakdown in the store and dumped a full  
10:49:26 24 bag of cash on a customer.

10:49:27 25 Q Okay. What about Mr. Kachner? Did you know about his

10:49:33 1 drug problem?

10:49:34 2 **A** I know he smoked weed.

10:49:35 3 **Q** Every day?

10:49:36 4 **A** Every day.

10:49:37 5 **Q** So, he would be under the influence -- it was just  
10:49:42 6 common knowledge he was under the influence of marijuana  
10:49:44 7 every day?

10:49:45 8 **A** Oh, yeah. He woke up and smoked as soon as he woke  
10:49:49 9 up, for sure.

10:49:49 10 **Q** Call that wake and bake?

10:49:51 11 **A** Call it whatever you want, but yes, he was always on.

10:49:54 12 **Q** Okay. And was he ever, like, not under the influence  
10:49:59 13 of marijuana at this store, that you know of?

10:50:02 14 **A** I don't know. I don't know.

10:50:03 15 I would assume he was always -- had a little bit of a  
10:50:07 16 high to him.

10:50:07 17 **Q** And would his personality change? Would he be more  
10:50:10 18 aggressive when he was using or less, if you know?

10:50:14 19 **A** No. I mean, honestly, he was pretty laid back except  
10:50:17 20 for when the numbers were kind of off.

10:50:20 21 **Q** Okay. You saw him at some point after the raid;  
10:50:25 22 correct?

10:50:25 23 **A** Yes. Yes.

10:50:27 24 **Q** Right?

10:50:28 25 And do you remember what he told you?



10:50:31 1 A He asked me if I had talked to anybody.

10:50:33 2 Q And what else -- what else did he say to you?

10:50:35 3 A Don't say anything.

10:50:37 4 Q What else did he say to you?

10:50:38 5 A That's all I remember.

10:50:39 6 Q How about, did he say, I'm not going down alone?

10:50:42 7 A He did say that, yes.

10:50:43 8 Q Okay. He said that.

10:50:45 9 What did you take that to mean?

10:50:46 10 A I took it as he was going to bring down whoever was

10:50:51 11 else involved in the stores.

10:50:53 12 Q He was going to bring down?

10:50:55 13 A Whoever else was involved with him in the stores.

10:50:57 14 Q Okay. Well, he was going to bring down whoever he

10:51:03 15 could; right?

10:51:03 16 A I -- I don't know.

10:51:04 17 Q I mean, that was just what he said?

10:51:06 18 A I mean --

10:51:06 19 Q I'm not going down alone?

10:51:08 20 A His quote was, I'm not going down alone.

10:51:11 21 Q Thank you.

10:51:12 22 MR. GOLDBERG: Nothing further, Your Honor.

10:51:13 23 THE COURT: Thank you.

10:51:13 24 Mr. Fedor, any questions?

10:51:16 25 MR. FEDOR: Your Honor, it will be my

10:51:17 1 colleague, associate, Benjamin Heidinger.

10:51:19 2 THE COURT: Sure.

10:51:20 3 Ben, go ahead.

4 - - - - -

5 CROSS-EXAMINATION OF RONNIE HULL

10:51:25 6 BY MR. HEIDINGER:

10:51:25 7 **Q** Good morning, Mr. Hull.

10:51:26 8 **A** Good morning.

10:51:28 9 **Q** Based upon your testimony, is it fair to say that you  
10:51:32 10 always -- or all the instructions you received were from  
10:51:35 11 Jason Kachner?

10:51:36 12 **A** And Larry Dayton before -- prior to 2013.

10:51:39 13 **Q** But after '13, it was always Jason Kachner?

10:51:42 14 **A** Yeah. Rarely would Tom say something to me.

10:51:45 15 **Q** Okay. And then have you ever met Mr. DiPietro?

10:51:51 16 **A** I have not. I have not.

10:51:53 17 **Q** Have you ever spoken to him on the phone?

10:51:55 18 **A** I have not.

10:51:56 19 **Q** Text messages with him?

10:51:57 20 **A** No.

10:52:05 21 MR. HEIDINGER: I believe that's all the  
10:52:06 22 questions I have, Your Honor.

10:52:07 23 THE COURT: Thank you.

10:52:08 24 Mr. Kersey, anything, sir?

10:52:11 25 MR. KERSEY: No. I have no further questions,

10:52:13 1 Judge. Thank you very much.

10:52:13 2 THE COURT: Thank you.

10:52:14 3 Adam?

10:52:16 4 Aaron. What did I say, Adam?

10:52:18 5 Aaron.

10:52:19 6 MR. HOWELL: I knew who you were talking to.

10:52:21 7 THE COURT: I know. Me too.

8 - - - - -

9 REDIRECT EXAMINATION OF RONNIE HULL

10:52:25 10 BY MR. HOWELL:

10:52:25 11 **Q** Mr. Hull, you were just asked a question in regards to  
10:52:27 12 whether you had ever spoken to Mr. DiPietro on the phone.

10:52:30 13 Do you recall that?

10:52:31 14 **A** Correct.

10:52:31 15 **Q** Were you ever present when you heard Mr. Kachner  
10:52:34 16 speaking to Ron DiPietro on the phone?

10:52:36 17 **A** Yes.

10:52:37 18 **Q** And tell us about that.

10:52:41 19 **A** We were standing in Shamrock. I don't remember the  
10:52:44 20 situation, but he said, give me a moment, I'm talking to  
10:52:50 21 Mr. DiPietro. And he always called him Ron. And he always  
10:52:55 22 called him -- "my tax guy" is what he called him. And that  
10:52:59 23 was it. And I walked out of the room when he said he was  
10:53:01 24 talking to him at that point.

10:53:02 25 **Q** Okay. Did you notice anything about Mr. Kachner's

10:53:06 1 demeanor when he would speak to -- did you have any other  
10:53:08 2 experiences when he would speak to Mr. DiPietro?

10:53:11 3 **A** His demeanor was someone that was talking to a  
10:53:16 4 superior.

10:53:18 5 **Q** Okay.

10:53:19 6 MR. HOWELL: Thank you. I don't have any  
10:53:20 7 further questions.

10:53:21 8 THE COURT: Mr. Goldberg, anything on that?

10:53:23 9 MR. GOLDBERG: No, Your Honor.

10:53:24 10 THE COURT: Anything further on that, Ben?

10:53:26 11 MR. HEIDINGER: No, Your Honor.

10:53:27 12 THE COURT: All right. Thank you, Mr. Hull.  
10:53:28 13 You're excused. Watch your step going down.

10:53:31 14 (Witness excused.)

10:53:31 15 THE COURT: You may call your next witness  
10:53:33 16 then.

10:53:34 17 MR. BEAN: The government calls David Ross.

10:53:37 18 (Brief pause in proceedings).

10:54:10 19 THE COURT: Sir, would you raise your right  
10:54:11 20 hand for me.

10:54:12 21 Do you swear the testimony you are about to give here  
10:54:14 22 will be the truth as you answer to God?

10:54:15 23 THE WITNESS: I do.

10:54:16 24 THE COURT: Please have a seat.

10:54:17 25 THE WITNESS: Thank you.

10:54:28 1 THE COURT: Sir, could you tell us your full  
10:54:29 2 name and spell your last name.

10:54:31 3 THE WITNESS: David Wayne Ross, R-o-s-s, as in  
10:54:36 4 Sam.

10:54:36 5 THE COURT: Thank you.

6 - - - - -

7 DIRECT EXAMINATION OF DAVID ROSS

10:54:38 8 BY MR. BEAN:

10:54:38 9 Q Good morning, Mr. Ross.

10:54:39 10 A Good morning.

10:54:40 11 Q How are you currently employed?

10:54:42 12 A I'm employed as a revenue officer with the Internal  
10:54:46 13 Revenue Service in Independence, Ohio.

10:54:47 14 Q And we have -- we've had some issues with that  
10:54:50 15 microphone. Do you mind just, you know, trying to make sure  
10:54:53 16 you lean in and speak into it so we can all hear? We  
10:54:57 17 appreciate it.

10:54:57 18 THE COURT: You know, Mr. Ross, you can even  
10:54:59 19 move it around to the right along the side there if you  
10:55:01 20 want.

10:55:03 21 MR. HOWELL: Push it up there towards you.

10:55:05 22 THE COURT: Yeah, Aaron can figure that out.

10:55:07 23 Other way, Aaron.

10:55:07 24 MR. HOWELL: This way?

10:55:08 25 THE COURT: Yeah. So then he can face the

10:55:10 1 questioner.

10:55:11 2 How does that sound?

10:55:12 3 MR. HOWELL: Perfect. Thank you, Judge.

10:55:14 4 THE WITNESS: Can you hear me now?

10:55:15 5 MR. BEAN: That's better. Thank you.

10:55:16 6 BY MR. BEAN:

10:55:17 7 **Q** So, sir, I'm going to ask you the same question. Just  
10:55:19 8 start at square one.

10:55:20 9 How are you currently employed?

10:55:22 10 **A** As a revenue officer with the Internal Revenue Service  
10:55:25 11 in Independence, Ohio.

10:55:26 12 **Q** How long have you been with the IRS?

10:55:29 13 **A** 41 years plus.

10:55:31 14 **Q** How long have you been a revenue officer?

10:55:33 15 **A** 41 years plus.

10:55:36 16 **Q** What -- did you have employment before you joined the  
10:55:39 17 IRS?

10:55:40 18 **A** Briefly.

10:55:41 19 **Q** What were you doing then?

10:55:42 20 **A** It was with a mortgage bank.

10:55:46 21 **Q** Can you describe for us, what does a revenue officer  
10:55:50 22 with the IRS do?

10:55:52 23 **A** We mainly work collection cases. We're assigned cases  
10:55:56 24 where a taxpayer, either a business or an individual, they  
10:56:02 25 owe taxes, and they may have delinquent returns that have

10:56:06 1 not been filed, or there may be a combination.

10:56:10 2 **Q** Does the IRS offer training to revenue officers?

10:56:13 3 **A** Yes.

10:56:14 4 **Q** Have they ever asked you to teach any of those  
10:56:17 5 trainings?

10:56:17 6 **A** Yes.

10:56:18 7 **Q** Does the IRS give out awards for quality work?

10:56:22 8 **A** Yes.

10:56:23 9 **Q** Have you received any awards?

10:56:25 10 **A** Almost every year, superior achievement award.

10:56:29 11 **Q** Are you familiar with individuals named Christos  
10:56:34 12 Karasarides, Jr., and Ronald DiPietro?

10:56:37 13 **A** Yes, I am.

10:56:37 14 **Q** How are you familiar with them?

10:56:40 15 **A** I was assigned back in, I believe, February of 2013 a  
10:56:44 16 collection case that involved substantial income tax  
10:56:50 17 liability, Form 1040. It was in excess of I believe  
10:56:56 18 1.2 million at the time.

10:57:00 19 Mr. DiPietro was Mr. Karasarides' power of attorney.  
10:57:06 20 He's an accountant in Canton, and he was the appointed  
10:57:09 21 representative to handle Mr. Karasarides' tax collection  
10:57:15 22 issues before the IRS.

10:57:17 23 **Q** What does it mean to be a taxpayer's appointed  
10:57:24 24 representative?

10:57:24 25 **A** Well, we can't just discuss someone's personal tax

10:57:30 1 records with anyone. The taxpayer has to designate one or  
10:57:36 2 more individuals to handle, you know, a collection case  
10:57:42 3 before the Internal Revenue Service and has to, you know,  
10:57:45 4 execute a signature that they want a certain person or maybe  
10:57:50 5 more than one to handle their tax representation before the  
10:57:55 6 Internal Revenue Service.

10:57:57 7 **Q** And when a taxpayer has done that, they've appointed  
10:58:00 8 someone to be their representative, do you have contact --  
10:58:05 9 direct contact with the taxpayer after that?

10:58:09 10 **A** Normally not.

10:58:10 11 **Q** So who do you -- who do you have contact with?

10:58:12 12 **A** With their appointed representative. We are required  
10:58:15 13 to go through that representative.

10:58:17 14 **Q** Now, I believe you testified just moments ago that the  
10:58:20 15 collection case started in approximately February of 2013.

10:58:24 16 How long did the collection case regarding  
10:58:28 17 Mr. Karasarides carry on for, approximately?

10:58:32 18 **A** I think my part of it ended around maybe the third or  
10:58:39 19 fourth quarter of 2016 or the first quarter of 2017, around  
10:58:44 20 in that area.

10:58:46 21 **Q** Now, I believe you testified moments ago that at the  
10:58:48 22 time you picked up the collection case, the tax debt was  
10:58:52 23 approximately 1.2 million; is that right?

10:58:54 24 **A** Yes, sir.

10:58:55 25 **Q** During the period of while you attempted to collect,



10:58:59 1 did the tax debt grow?

10:59:01 2 **A** Yes, it did.

10:59:01 3 **Q** Why did it grow?

10:59:04 4 **A** Well, like I said, I got the case in February of 2013,  
10:59:09 5 and then subsequent to that, the 2013 and 2014 tax returns  
10:59:17 6 were filed with balances due that were not paid. So, there  
10:59:24 7 were additional tax liability for those two years, '13 and  
10:59:28 8 '14, that, you know, grew -- you know, that grew the amount  
10:59:35 9 due from when I started.

10:59:36 10 **Q** And are there other ways that a tax debt can grow over  
10:59:41 11 time?

10:59:41 12 **A** Yes.

10:59:41 13 **Q** How?

10:59:43 14 **A** Well, I mean, for example, we have revenue agents that  
10:59:47 15 conduct audits. You know, if they find that a person  
10:59:55 16 underreported their number, you know, they can make an  
10:59:58 17 adjustment to increase the tax liability for a certain year  
11:00:01 18 or years. They're called revenue agents. We get called  
11:00:05 19 revenue agents in the paper, but we're revenue officers in  
11:00:08 20 collection.

11:00:09 21 **Q** Does the IRS charge interest on unpaid tax?

11:00:12 22 **A** Yes, we do.

11:00:16 23 **Q** During the period of your collections, which it sounds  
11:00:20 24 like was 3 to 4 years --

11:00:24 25 **A** Yes.

11:00:24 1 Q -- were you able to collect on the tax that was owed  
11:00:27 2 by Mr. Karasarides?

11:00:29 3 A Only nominal amounts.

11:00:34 4 Q During the collection -- well, can you talk to us,  
11:00:37 5 when you do a -- when you start a collections action, what  
11:00:40 6 are your first steps?

11:00:41 7 A My first step would be to review all internal  
11:00:46 8 resources that we have regarding a certain taxpayer. We  
11:00:49 9 look at filing history. We look at past returns and what  
11:00:58 10 are -- what income is listed on past returns. We see if  
11:01:03 11 there's some kind of a written archive history that somebody  
11:01:07 12 else worked on the case before it was assigned to me. We  
11:01:12 13 look and see if there are any federal tax liens filed in the  
11:01:17 14 past. We look at what's called our AMS history, which means  
11:01:25 15 if the taxpayer called in with something other than a  
11:01:28 16 general question, that they may record the person's name and  
11:01:32 17 social security number and what the conversation amounted  
11:01:36 18 to.

11:01:37 19 We may pull a credit report on the taxpayer to develop  
11:01:41 20 more information. We look at external sources, maybe county  
11:01:47 21 records, including real estate, you know. Do research on  
11:01:54 22 the property where the taxpayer resides, ownership,  
11:01:59 23 mortgages, things like that.

11:02:01 24 Q And when you're trying to collect and you're doing  
11:02:05 25 research, what are you looking -- are you looking for

11:02:07 1 anything specifically?

11:02:11 2 **A** Well, absent, you know, somebody comes in with a check  
11:02:15 3 for full payment, we're looking for financial information to  
11:02:20 4 get a complete financial picture on a certain person that's  
11:02:24 5 unable or states they're unable to pay the tax liability.

11:02:27 6 **Q** Why do you do that?

11:02:29 7 **A** Well, that helps us decide, you know, the proper  
11:02:33 8 course of action based on the facts and based on a person's  
11:02:37 9 financial ability.

11:02:39 10 **Q** In the course of, you know, a general collections  
11:02:45 11 case, do you have the power to try to seize a taxpayer's  
11:02:48 12 assets to satisfy a tax debt?

11:02:50 13 **A** Yes, we do.

11:02:52 14 **Q** And have you done that during your career?

11:02:53 15 **A** Often.

11:02:55 16 **Q** And during a collection case, do you file liens  
11:03:00 17 against a taxpayer?

11:03:01 18 **A** Yes, notices of federal tax lien.

11:03:04 19 **Q** And what is that? Can you just explain for the jury?

11:03:06 20 **A** Well, initially when a taxpayer receives a bill from  
11:03:10 21 the IRS saying you owe X amount of dollars, you know, after  
11:03:14 22 that point when it's assigned frequently to someone in the  
11:03:17 23 field collection, like myself, we frequently file a notice  
11:03:24 24 of federal tax lien with the county recorder where the  
11:03:28 25 taxpayer resides in order to, number one, you know, to take

11:03:35 1 priority and let the world know that the IRS has an interest  
11:03:40 2 in all the taxpayer's assets, whether their personal  
11:03:45 3 property or real property.

11:03:51 4 **Q** And, sir, do you also file levies?

11:03:54 5 **A** Yes.

11:03:54 6 **Q** What is a levy? Can you just explain, please?

11:03:57 7 **A** A levy would be where we issue a notice to a third  
11:04:02 8 party, for example, someone that owes the taxpayer money or  
11:04:05 9 holding an asset belonging to a taxpayer, and a common one  
11:04:10 10 would be a bank.

11:04:11 11 We serve a levy with the bank telling the bank  
11:04:16 12 taxpayer A owes the IRS X amount of dollars, and we want all  
11:04:21 13 the funds that are in that person's account, send it to the  
11:04:25 14 IRS and we'll apply it to their tax debt.

11:04:28 15 **Q** Now, during the course of the collection case on  
11:04:36 16 Mr. Karasarides' tax debt, did you have communications with  
11:04:38 17 Mr. DiPietro?

11:04:38 18 **A** Yes.

11:04:39 19 **Q** All right. And in any of those communications, did  
11:04:41 20 Mr. DiPietro say whether Mr. Karasarides was able to pay  
11:04:44 21 this tax debt?

11:04:46 22 **A** Mr. DiPietro said that he could not pay the tax debt.

11:04:50 23 **Q** Did he say why?

11:04:52 24 **A** Well, one reason that was given to me by Mr. DiPietro.  
11:04:55 25 Was that Mr. Karasarides was involved in some gambling

11:05:03 1 businesses, and then there was a change in the state law  
11:05:08 2 which forced the termination of those businesses and,  
11:05:11 3 therefore, he wasn't receiving income from those businesses.

11:05:18 4 **Q** Did -- and after that, did Mr. DiPietro say anything  
11:05:22 5 about whether Mr. Karasarides continued to own any gambling  
11:05:26 6 businesses, after the change in the state law?

11:05:30 7 **A** There was one entity listed on the collection  
11:05:34 8 information statement. It was called CM Kare.

11:05:39 9 **Q** And did Mr. DiPietro explain what that was?

11:05:43 10 **A** It was my understanding it was a partnership with  
11:05:47 11 another individual named Maggiore, last name is Maggiore, I  
11:05:58 12 believe, but Mr. Karasarides had an interest in some  
11:06:02 13 equipment that was owned by that company. And that the --  
11:06:08 14 my understanding, not long after that that, that that  
11:06:12 15 business terminated operations also.

11:06:13 16 **Q** Did Mr. DiPietro ever tell you about a business called  
11:06:17 17 Skilled Shamrock?

11:06:18 18 **A** No, he did not.

11:06:19 19 **Q** Did Mr. DiPietro ever tell you that Mr. Karasarides  
11:06:22 20 was involved in a business called Redemption?

11:06:25 21 **A** No, he did not.

11:06:27 22 **Q** At some point did you close your collections case?

11:06:31 23 **A** Yes.

11:06:32 24 **Q** Why?

11:06:40 25 **A** Well, there was, in my view, tax evasion, tax fraud.

11:06:45 1 And normally in a collection case where it's referred for  
11:06:55 2 investigation to the criminal division, we normally shut  
11:06:57 3 down our part of the investigation. In other words, I don't  
11:07:00 4 continue do a civil investigation while the criminal  
11:07:02 5 investigation is being conducted.

11:07:05 6 **Q** And are there specific standards that define what firm  
11:07:10 7 indicators of fraud are when you're making a determination  
11:07:13 8 to make a referral?

11:07:14 9 **A** Well, depends on the case. I mean, each case is  
11:07:17 10 different.

11:07:17 11 I have a fraud technical advisor who is -- reviews our  
11:07:22 12 work, and if I advise him that this -- a certain case could  
11:07:30 13 be fraud or evasion, he will review it and consider the  
11:07:36 14 factors that, you know, I provide to him and give us advice  
11:07:40 15 on whether does it rise to the standard of evasion or fraud,  
11:07:46 16 or -- and therefore should be referred to criminal -- our  
11:07:50 17 criminal division, or no, it doesn't, or maybe consider, you  
11:07:54 18 know, securing A, B, and C and then come back and we'll  
11:07:58 19 revisit it.

11:07:59 20 **Q** Was Mr. Karasarides' case referred criminally?

11:08:02 21 **A** Yes.

11:08:02 22 **Q** By you?

11:08:03 23 **A** Yes.

11:08:04 24 **Q** Why did you refer it?

11:08:08 25 **A** It's one of the most flagrant and egregious cases I've

11:08:13 1 ever seen.

11:08:13 2 MR. GOLDBERG: Objection.

11:08:14 3 THE COURT: Overruled.

11:08:17 4 THE WITNESS: There were several major issues  
11:08:19 5 that caused me to refer the case. You know, at a time where  
11:08:29 6 it's being represented to me that Mr. Karasarides cannot pay  
11:08:32 7 his tax debt, is not making any voluntary payments on his  
11:08:36 8 tax debt, I came -- in my investigation, I discovered that  
11:08:41 9 Mr. Karasarides, during the course that the taxes were  
11:08:44 10 accruing, had made a hundred thousand dollars in cash  
11:08:50 11 payments to two attorneys, a total of a hundred thousand,  
11:08:55 12 for legal fees for an unrelated criminal case.

11:09:02 13 And I've never seen that in 41 years of collecting  
11:09:05 14 taxes that somebody could afford to pay a hundred thousand  
11:09:09 15 dollars cash to third parties when they are stating that  
11:09:11 16 they cannot pay the IRS.

11:09:13 17 Another factor was -- a significant factor was the  
11:09:17 18 personal residence where Mr. Karasarides resides. The  
11:09:23 19 property -- the personal residence was being purchased by  
11:09:28 20 Mr. Karasarides via land contract. Very nice house that's  
11:09:35 21 worth probably 650,000 right now. He's purchasing it via  
11:09:41 22 land contract.

11:09:42 23 And rather than Mr. Karasarides making the payments  
11:09:47 24 directly on that land contract, the payments that I saw and  
11:09:52 25 in my investigation, they were being funneled through

11:09:56 1 Mr. Karasarides' son, Christopher, who at the time I was  
11:09:59 2 told was, you know, a student at Ohio State in Columbus.  
11:10:05 3 That seemed odd to me. It just didn't meet the smell test,  
11:10:09 4 because the payments were going to the owner of the  
11:10:16 5 property, and they lived right next door to Mr. Karasarides.

11:10:21 6 So, you know, it smelled to high heaven that these  
11:10:25 7 funds are being funneled to the son, the adult son,  
11:10:31 8 Christopher, in Columbus, and then to, you know, the owner  
11:10:36 9 of the property, which is right next door to where  
11:10:40 10 Mr. Karasarides lived. So -- and they were significant  
11:10:45 11 payments.

11:10:46 12 There were --the most recent information that I  
11:10:51 13 reviewed was I think in, like, around September of 2016.  
11:11:01 14 And for like a 7-month period, starting December 1st of  
11:11:06 15 2015, there were seven payments made on this land contract  
11:11:11 16 to purchase the house, and they were each in the amount of  
11:11:15 17 \$6,708. So you had seven payments of those -- that amount  
11:11:22 18 each.

11:11:23 19 And this was at a time where I'm being told that  
11:11:29 20 Mr. Karasarides can't pay his tax debt, he's barely getting  
11:11:33 21 by, can only basic -- pay his basic living expenses, and so  
11:11:37 22 that was being done at that time.

11:11:41 23 Related to that, there was an offer in compromise  
11:11:44 24 filed by the subsequent power of attorney for  
11:11:50 25 Mr. Karasarides. It's an attorney, it was a tax attorney in



11:11:56 1 Canton named Matthew Yackshaw. And at some point he became  
11:12:04 2 the attorney for Mr. Karasarides. And he filed an offer in  
11:12:06 3 compromise on behalf of Mr. Karasarides.

11:12:07 4 And he offered, on behalf of the taxpayer, around 70  
11:12:12 5 or \$72,000, you know, on a tax debt of -- when I ran the  
11:12:18 6 numbers in 2022, they were over 2.9 million. So you're  
11:12:24 7 trying to get out of 2.9 million or whatever amount was due  
11:12:28 8 at the time for \$70,000, saying that's all that the IRS  
11:12:32 9 could collect, that's all the taxpayer can afford. And, so,  
11:12:37 10 I mean, that was another reason.

11:12:39 11 Finally, you know, we do a lot of third-party contacts  
11:12:49 12 in gathering information. And I was aware that  
11:12:51 13 Mr. Karasarides had been divorced from his first wife,  
11:12:59 14 Carolyn Noble. So I went down to the Stark County Domestic  
11:13:07 15 Relations Court in Canton to review the records, and it was  
11:13:10 16 very voluminous.

11:13:12 17 What stood out was there was a filing by  
11:13:16 18 Mr. Karasarides' ex-wife Carolyn Noble's attorney, and the  
11:13:22 19 attorney submitted a document saying, we want a do-over on  
11:13:28 20 the settlement agreement, that my client --

11:13:32 21 MR. GOLDBERG: Objection.

11:13:32 22 THE COURT: Overruled.

11:13:32 23 Go ahead.

11:13:34 24 THE WITNESS: -- wanted a do-over, that the  
11:13:38 25 agreement signed by his client, Carolyn Noble, was based on

11:13:43 1 false information. And accompanying that filing was a  
11:13:49 2 spreadsheet.

11:13:51 3 And what the attorney for Miss Noble was indicating  
11:13:59 4 was that --

11:14:00 5 MR. GOLDBERG: Objection, Your Honor. Can we  
11:14:02 6 approach?

11:14:03 7 THE COURT: No.

11:14:03 8 Overruled.

11:14:04 9 Go ahead.

11:14:04 10 THE WITNESS: The filing said, my client  
11:14:12 11 signed an agreement on false information based on  
11:14:15 12 Mr. Karasarides' representation that he was only making this  
11:14:18 13 amount of money when, in fact, we have information -- and it  
11:14:21 14 was a spreadsheet filed with the Domestic Relations Court --  
11:14:25 15 that purportedly Ms. Noble had secured from Mr. Karasarides'  
11:14:32 16 laptop. And the laptop showed this -- spreadsheet showed a  
11:14:38 17 number of gambling businesses and the income for a certain  
11:14:44 18 period. So her attorney was saying Mr. Karasarides is  
11:14:56 19 making way more in income than what he reported through the  
11:15:00 20 divorce proceeding.

11:15:01 21 So, it was like for a 5- or 6-week period, the income  
11:15:09 22 obtained from the spreadsheet from Mr. Karasarides' laptop  
11:15:11 23 showed that he and his business partner had made over a  
11:15:15 24 million dollars just over a 5- or 6-week period.

11:15:23 25 So the attorney for Miss Noble said, we want this case

11:15:28 1 reopened so that she gets a fair settlement based on  
11:15:31 2 Mr. Karasarides' true income, not what he had previously  
11:15:36 3 portrayed to the Court.

11:15:39 4 BY MR. BEAN:

11:15:40 5 Q Now, I think earlier -- was your testimony, though,  
11:15:43 6 that when you begin a collections case, one of the things  
11:15:46 7 you do is try to identify sources of income?

11:15:51 8 Was that your testimony?

11:15:52 9 A Yes.

11:15:52 10 Q All right. Are there certain things taxpayers can do  
11:15:55 11 to make it -- your job doing that more difficult?

11:16:00 12 A Certainly.

11:16:00 13 Q What kind of things?

11:16:02 14 A Well, if you had a privately held company and you're  
11:16:06 15 getting income and that company does not submit income  
11:16:11 16 documents to the Internal Revenue Service as is normally  
11:16:17 17 done and required, we wouldn't know about that income.

11:16:23 18 Q What about cash?

11:16:27 19 A Cash, at times, we see cash deposits --

11:16:37 20 Q Does that make it harder?

11:16:38 21 A -- into banks, into bank accounts, we can see that.  
11:16:41 22 But if somebody's hiding cash, it's obviously much more  
11:16:43 23 difficult to locate.

11:16:44 24 Q And what about if a taxpayer puts assets in the name  
11:16:47 25 of another individual?

11:16:52 1 **A** Well, that makes it definitely more difficult,  
11:16:55 2 although we do our best to find out when people are doing  
11:16:59 3 that.

11:17:00 4 **Q** When -- on a collections case, when you're trying to  
11:17:03 5 identify sources of income, is it your practice to look at  
11:17:06 6 any tax returns that are filed during your collections case?

11:17:09 7 **A** Yes.

11:17:12 8 **Q** And how about tax returns that were filed before you  
11:17:15 9 begin the collections case?

11:17:16 10 **A** At times.

11:17:23 11 MR. BEAN: Carissa, can we please pull up  
11:17:27 12 Exhibit 200, which the parties have stipulated to?

11:17:36 13 BY MR. BEAN:

11:17:37 14 **Q** Sir, what is this?

11:17:40 15 **A** It's called an ICS history. ICS standards for  
11:17:45 16 Integrated Collection Systems. We use a million acronyms,  
11:17:49 17 so sorry about that.

11:17:50 18 **Q** And is this -- what's an ICS history used for?

11:17:54 19 **A** Pardon?

11:17:55 20 **Q** How is an ICS history used?

11:17:57 21 **A** Well, it's basically a summary -- summary of events on  
11:18:03 22 a particular case. And basically we keep a written record.  
11:18:08 23 Like, if we meet with taxpayer or we meet with a third party  
11:18:15 24 or if we're doing research, we make a record of what -- of  
11:18:19 25 what we did on the case, basically.

11:18:28 1 Q And who's the taxpayer for this particular ICS  
11:18:30 2 history?

11:18:30 3 A It's Christos Karasarides, Jr.

11:18:32 4 Q And as the revenue officer assigned to this case, were  
11:18:35 5 you the one responsible for making entries --

11:18:37 6 A Yes.

11:18:38 7 Q -- on this document?

11:18:39 8 A Yes, including the typos.

11:18:41 9 Q We'll forgive you for those.

11:18:43 10 So you've talked about generally what you do when you  
11:18:50 11 receive a collections case in terms of trying to identify  
11:18:52 12 assets, source of income, et cetera.

11:18:54 13 A Right.

11:18:55 14 Q Did you do that in this specific case?

11:18:57 15 A Yes.

11:18:59 16 Q And so at some point did you come to speak with  
11:19:01 17 Mr. DiPietro?

11:19:02 18 A Yes, I did.

11:19:04 19 MR. BEAN: Can we please turn to Page 4?

11:19:08 20 BY MR. BEAN:

11:19:09 21 Q When -- approximately when did you first speak with  
11:19:12 22 Mr. DiPietro?

11:19:16 23 And sir, if at any point you'd ask us to change the  
11:19:18 24 pages of the exhibit, just ask.

11:19:23 25 A Would you go back one to Page 3, please?

11:19:31 1 Okay. It looks like that that was the initial contact  
11:19:34 2 with Mr. DiPietro on April 12th of 2013.

11:19:39 3 **Q** And what -- can you -- what was that contact? What  
11:19:43 4 was the conversation that you had?

11:19:44 5 **A** Well, the initial contact, we -- you know, we want to  
11:19:50 6 exchange -- we want to exchange contact information and we  
11:19:54 7 want to -- what we're required to do is to explain and to  
11:20:00 8 verify that the taxpayer, his client, is aware of taxpayer  
11:20:06 9 rights. So we do that. That's required. We ask for  
11:20:11 10 payment, you know, if there's money due. It's not just a  
11:20:17 11 general call. We want to see if the tax can be paid.

11:20:22 12 **Q** Did you request payment here?

11:20:24 13 **A** Yes.

11:20:25 14 **Q** Did you get it?

11:20:26 15 **A** No.

11:20:28 16 **Q** Did Mr. DiPietro say, during this meeting, whether  
11:20:32 17 Mr. Karasarides was able to pay?

11:20:35 18 **A** He said he had made a \$50,000 check recently, and I  
11:20:43 19 believe that was on the 2012-year, I believe.

11:20:47 20 But, you know, I explained to him he needs to stay  
11:20:52 21 current and keep -- and not run up any more tax liability,  
11:20:57 22 so -- but he did say he was unable to pay the liability in  
11:21:00 23 full.

11:21:02 24 **Q** Did you request that a Form 433-A be filed on behalf  
11:21:07 25 of Mr. Karasarides?

11:21:08 1 **A** Yes.

11:21:10 2 **Q** Can you just describe to the jury, what is that form?  
11:21:12 3 What's reported on it?

11:21:13 4 **A** It's a collection information statement for  
11:21:16 5 individuals. It's basically information about a taxpayer's  
11:21:22 6 assets, liabilities, income, and expenses. Just getting a  
11:21:28 7 total financial picture of the taxpayer who states that they  
11:21:32 8 cannot pay in full.

11:21:32 9 **Q** And why request one here?

11:21:36 10 **A** Because if, you know, the appointed representative is  
11:21:41 11 saying that the taxpayer is unable to pay, then we need to  
11:21:45 12 gather information. Basically like a loan application in  
11:21:48 13 reverse. You know, the money is already due, and now we're  
11:21:53 14 going back and trying to gather the financial information.

11:21:58 15 **Q** Did Mr. DiPietro talk about any goals he had for  
11:22:03 16 Mr. Karasarides in terms of how to address his tax debt?

11:22:06 17 **A** Well, I don't believe it's in the history, but I do  
11:22:09 18 recall that, you know, the first vibes I was getting was,  
11:22:13 19 you know, we've got a couple of these houses down in the  
11:22:16 20 inner city, these rental properties in the inner city of  
11:22:19 21 Canton, you know, why don't you guys just take this and just  
11:22:22 22 go away and leave us alone. That was the vibe I was  
11:22:25 23 getting.

11:22:25 24 Beyond that, he did mention that at some point  
11:22:31 25 possibly entering into an installment agreement. And then

11:22:35 1 he also mentioned possible filing of an offer in compromise.

11:22:38 2 **Q** Was there ever any entry of an installment agreement?

11:22:42 3 **A** There was never a proposal for an installment  
11:22:47 4 agreement submitted.

11:22:47 5 **Q** During the conversation, did you ask Mr. DiPietro  
11:22:50 6 about Mr. Karasarides' assets and sources of income?

11:22:54 7 **A** Yes.

11:22:55 8 **Q** And did he provide you with an answer?

11:22:58 9 **A** Well, he provided a collection information statement.  
11:23:04 10 It was on a Form 433-F rather than the 433-A. We both -- we  
11:23:10 11 use both of those in IRS collection.

11:23:14 12 **Q** During your communications with Mr. DiPietro, did you  
11:23:18 13 communicate the need for truthful and accurate information  
11:23:23 14 during this process?

11:23:25 15 **A** I don't recall specifically saying that. I mean,  
11:23:28 16 Mr. DiPietro as a CPA is required to keep -- is required to  
11:23:37 17 maintain certain standards of representation in tax  
11:23:42 18 preparation that's outlined in Circular 230.

11:23:47 19 MR. BEAN: Carissa, can we please turn to  
11:23:49 20 Page 7?

11:24:02 21 Can you go back one page, please?

11:24:06 22 I had the right page. I apologize.

11:24:18 23 BY MR. BEAN:

11:24:19 24 **Q** Did you speak again with Mr. DiPietro on June 24th,  
11:24:24 25 2013?



11:24:24 1 **A** Yes, sir.

11:24:26 2 **Q** And can you relay to the jury that communication?

11:24:30 3 **A** Well, it said that Mr. DiPietro called my office. He  
11:24:34 4 said he has the information I had previously requested. I  
11:24:38 5 advised him to send it, I will review and then call him for  
11:24:44 6 appointment or clarification and follow-up.

11:24:51 7 He raised the issue about pending possible forfeiture  
11:24:58 8 based on another criminal case. He says there's a  
11:25:01 9 significant amount of money involved, approximately a half a  
11:25:03 10 million being held -- it's being held by the Secret Service,  
11:25:07 11 and that Mr. DiPietro sought -- and Mr. Karasarides want  
11:25:13 12 this -- these assets to go to the IRS to be applied to his  
11:25:18 13 tax liability.

11:25:19 14 **Q** Did he say anything about how Mr. Karasarides was  
11:25:23 15 earning money at that time?

11:25:25 16 **A** Yes.

11:25:26 17 **Q** What did he say?

11:25:26 18 **A** He said he gambles professionally and that he was --  
11:25:32 19 he earns commissions from an entity called V2, but now that  
11:25:39 20 is on hold due to criminal cases.

11:25:43 21 **Q** And did he explain to you what V2 was or. . .

11:25:48 22 **A** Well, it's my understanding V2 was a company that  
11:25:53 23 provided software to these gambling establishments that are  
11:26:01 24 located, you know, throughout Ohio and I guess elsewhere.

11:26:08 25 **Q** Now, after Mr. DiPietro told you about, you know,

11:26:13 1 assets that had been seized that he and Mr. Karasarides  
11:26:15 2 would like to be applied to his tax debt, did you look into  
11:26:20 3 that money?

11:26:20 4 **A** Yes, I did.

11:26:22 5 **Q** Can you just relay to the jury what you did?

11:26:24 6 **A** Well, I contacted the Secret Service and said, you  
11:26:27 7 guys are purportedly holding assets belonging to  
11:26:35 8 Mr. Karasarides, and that, you know, we would like to seize  
11:26:37 9 those and apply the proceeds to his tax liability.

11:26:42 10 **Q** And were you successful in accomplishing that?

11:26:44 11 **A** No. It was a source of frustration. You know, you  
11:26:47 12 get two federal agencies dealing with each other, and I was  
11:26:50 13 unable to get those assets.

11:26:53 14 **Q** Did they give a reason why?

11:26:59 15 MR. GOLDBERG: Objection.

11:26:59 16 THE COURT: You can say yes or no.

11:27:01 17 THE WITNESS: I don't -- I don't specifically  
11:27:03 18 recall what the issue, but I was unable to get those assets  
11:27:05 19 from the Secret Service even though I attempted to.

11:27:10 20 MR. BEAN: Carissa, can we please turn to  
11:27:12 21 Page 8? And can you blow up the one in the middle?

11:27:26 22 BY MR. BEAN:

11:27:27 23 **Q** Now, sir, you already mentioned that a Form 433-F was  
11:27:30 24 filed on behalf of Mr. Karasarides; correct?

11:27:32 25 **A** Yes.

11:27:33 1 Q When was that -- does this entry reference that?

11:27:39 2 A Well, the 433-A had previously been submitted to me.

11:27:43 3 I didn't receive it on July 9th, I received it previously,

11:27:50 4 and I was in the process of reviewing that information that

11:27:53 5 was submitted by Mr. DiPietro.

11:27:57 6 MR. BEAN: Can we please pull up Exhibit 174?

11:28:07 7 BY MR. BEAN:

11:28:07 8 Q Sir, do you recognize this?

11:28:08 9 A Yes.

11:28:09 10 Q What is it?

11:28:10 11 A It's a collection information statement submitted on

11:28:15 12 behalf of Christos Karasarides, Jr. It was submitted by

11:28:22 13 Mr. DiPietro.

11:28:23 14 Q How do you know it was submitted by Mr. DiPietro?

11:28:27 15 A Because I note in my history that he mailed it to me.

11:28:30 16 Q And did you have conversations with Mr. DiPietro about

11:28:33 17 this form?

11:28:34 18 A Yes.

11:28:36 19 MR. BEAN: Carissa, can you flip down a page,

11:28:38 20 please?

11:28:39 21 Thank you. We're on Page 2.

11:28:41 22 BY MR. BEAN:

11:28:42 23 Q Do you see a signature down at the bottom of this

11:28:44 24 document?

11:28:44 25 A Yes.

11:28:45 1 Q And is there a date down on that line of the document?

11:28:49 2 A June 15th, 2013.

11:28:52 3 Q Thank you.

11:28:53 4 MR. BEAN: Can we go back to the first page.

11:28:55 5 BY MR. BEAN:

11:28:55 6 Q And in the upper left corner, is there the name of a

11:29:00 7 taxpayer listed?

11:29:01 8 A Yes, sir.

11:29:02 9 Q What name?

11:29:02 10 A Christos Karasarides, Jr.

11:29:07 11 Q Is this a Form 433-A?

11:29:09 12 A No, it is not.

11:29:10 13 Q In your ICS history, is this the form you note that

11:29:14 14 was filed?

11:29:15 15 A I am so used to dealing with Form 433-A, that's mainly

11:29:20 16 the one we deal with, probably just did it by habit rather

11:29:24 17 than a 433-F.

11:29:26 18 Q So then is it possible then your ICS history is just a

11:29:31 19 typo?

11:29:31 20 A Yes.

11:29:32 21 Q All right. I'd like to take a look at this document

11:29:34 22 with you. Can you walk us through what information is

11:29:41 23 reported on this document? And please tell us to change the

11:29:44 24 page as needed as you do that.

11:29:45 25 A Okay. Well, the top of the page is identifying

11:29:49 1 information, name, address, social security number, which  
11:29:55 2 county they live in. And then it starts with the assets  
11:30:02 3 that are owned by certain taxpayer.

11:30:05 4 In this section, Section A lists, like, you know, bank  
11:30:10 5 accounts and lines of credit.

11:30:12 6 Section B includes real estate.

11:30:14 7 C is other assets, includes vehicles and, you know,  
11:30:18 8 any other major asset.

11:30:25 9 Q And, sir, before we move on to the next page, what  
11:30:27 10 real estate asset is listed here?

11:30:28 11 A Real estate at -- located at 2231 Dunkeith Drive in  
11:30:35 12 Canton, Ohio.

11:30:35 13 Q Were you familiar with that specific property?

11:30:38 14 A Yes.

11:30:40 15 Q And where is -- what's that property?

11:30:42 16 A It's the personal residence of Mr. Chris -- Christos  
11:30:49 17 Karasarides.

11:30:49 18 Q And in the other asset section, is there anything  
11:30:52 19 listed there?

11:30:53 20 A There are two vehicles list. One's a Mercedes. The  
11:30:56 21 other is a -- looks like a Hyundai.

11:31:00 22 MR. BEAN: Carissa, can we please turn to  
11:31:02 23 Page 2.

11:31:04 24 BY MR. BEAN:

11:31:04 25 Q What about -- what's reported on this page?

11:31:07 1 **A** Section D lists -- supposed to list credit cards.

11:31:12 2 E, business information. Let's see, and -- business

11:31:19 3 accounts, business information. Business accounts.

11:31:22 4 And then Section F, employment information.

11:31:27 5 You go down to household income and expenses.

11:31:40 6 MR. BEAN: Carissa, can we go to the next

11:31:42 7 page, please?

11:31:43 8 Maybe we can blow up the text on this one.

11:31:46 9 BY MR. BEAN:

11:31:46 10 **Q** What's reported here?

11:31:52 11 **A** At the top of the page, we have a list of business

11:31:56 12 interests for Mr. Karasarides. All but one appear to be

11:32:09 13 closed. Related to the litigation that Mr. DiPietro had

11:32:12 14 indicated before.

11:32:12 15 Blow that are the three rental properties in Canton,

11:32:16 16 Ohio, that I referred to previously.

11:32:17 17 **Q** Now, you previously referred to an entity called CM

11:32:22 18 Kare. Is that referenced here?

11:32:23 19 **A** Yes, sir.

11:32:24 20 **Q** And what's his interest in CM Kare as reported here?

11:32:28 21 **A** 50 percent ownership. Equipment rental income is

11:32:31 22 listed.

11:32:31 23 **Q** Is that consistent with what your understanding of

11:32:34 24 that business that he had with Mr. Maggiore, I believe was

11:32:37 25 your testimony?

11:32:38 1 **A** Yes.

11:32:38 2 **Q** All right. Thank you.

11:32:40 3 MR. BEAN: Carissa, can you zoom out and go  
11:32:42 4 back to Page 2, please.

11:32:45 5 And can we zoom in on the non-wage household income  
11:32:48 6 section?

11:32:54 7 BY MR. BEAN:

11:32:55 8 **Q** Did he -- on this form, is there income reported here?

11:32:58 9 **A** Yes.

11:32:58 10 **Q** How much?

11:33:01 11 **A** \$20,000 per month before tax.

11:33:09 12 **Q** Is the -- is the source of that income reported here?

11:33:13 13 **A** I don't see that it is.

11:33:14 14 **Q** Or how about anywhere else on this document?

11:33:19 15 **A** I don't recall.

11:33:21 16 **Q** Were you ever told what the source of this income was?

11:33:26 17 **A** Well, Mr. DiPietro indicated that Mr. Karasarides is a  
11:33:30 18 professional gambler and most of his income is from  
11:33:34 19 professional gambling, especially now that those other  
11:33:38 20 businesses were closed by the State of Ohio.

11:33:41 21 MR. BEAN: Carissa, can you zoom out?

11:33:42 22 Can you go to the next page?

11:33:45 23 And can you go to the next page?

11:33:47 24 Can you blow that up, please?

11:33:53 25 And if we can turn it horizontally.

11:34:35 1 (Brief pause in proceedings).

11:34:55 2 BY MR. BEAN:

11:34:55 3 **Q** Sir, what additional disclosures were there?

11:35:00 4 **A** The top one was related to a property on Meese Road.

11:35:08 5 I believe that's east of Canton, maybe in the suburb of

11:35:12 6 Louisville. But the representation is that this property

11:35:19 7 was paid for by land contract, paid to ex-wife, and that the

11:35:25 8 payor paid off an \$89,000 loan, and the ex-wife quit-claimed

11:35:31 9 the property to Christos Karasarides, Jr., and that the

11:35:35 10 final transfer is being held up by our federal liens.

11:35:43 11 **Q** And what was represented to you on this form regarding

11:35:46 12 VS2?

11:35:47 13 **A** Well, the commissions were being held by the court

11:35:51 14 subject to forfeiture.

11:35:54 15 **Q** And is there a reference to the assets you'd

11:35:58 16 previously discussed with Mr. DiPietro that had been seized?

11:36:00 17 **A** There's a reference to the Secret Service holding

11:36:05 18 assets related to a forfeiture.

11:36:09 19 MR. BEAN: Can we zoom out?

11:36:25 20 Are there any more pages in that exhibit?

11:36:30 21 BY MR. BEAN:

11:36:31 22 **Q** So, is there anywhere in this document where it

11:36:34 23 references his ownership actively, at that time, of gambling

11:36:38 24 businesses?

11:36:39 25 **A** No.



11:36:40 1 Q How about a business called Skilled Shamrock?

11:36:42 2 A No, sir.

11:36:43 3 Q How about a business called Redemption?

11:36:45 4 A No, sir.

11:36:47 5 Q On this form, is there anywhere where it says that

11:36:50 6 Mr. Karasarides was receiving, or had received, income from

11:36:55 7 gambling businesses?

11:36:56 8 A No.

11:36:57 9 Q How about income from a business called Skilled

11:36:59 10 Shamrock?

11:36:59 11 A No.

11:37:00 12 Q How about income from a business called Redemption?

11:37:02 13 A No.

11:37:03 14 Q And in the course of your collections in your case and

11:37:08 15 your communications with Mr. DiPietro, did he ever provide

11:37:10 16 any information that I just asked you about orally?

11:37:13 17 A No.

11:37:15 18 Q Now that you had this form and this information, what

11:37:19 19 did you do?

11:37:22 20 A Well, my analysis was that there's equity in the

11:37:30 21 taxpayer's land contract that he's buying, his personal

11:37:34 22 residence where he resides at 2231 Dunkeith.

11:37:43 23 Q Did you tell that to Mr. DiPietro?

11:37:49 24 A Yes.

11:37:49 25 Q If Mr. Karasarides had ownership of businesses and

11:37:53 1 income from businesses that were not reported on this form,  
11:37:56 2 would you have wanted to know that?

11:37:57 3 **A** Certainly.

11:37:57 4 **Q** Why?

11:37:58 5 **A** It would -- it would present a total financial picture  
11:38:04 6 of the taxpayer's ability to pay the liabilities off.

11:38:08 7 **Q** And before we move on, sir, that Form 433-F we just  
11:38:13 8 looked at, that exhibit, was that a true and accurate  
11:38:16 9 representation of the Form 433-F that you received from  
11:38:21 10 Mr. DiPietro regarding Mr. Karasarides?

11:38:22 11 **A** Yes, sir.

11:38:22 12 MR. BEAN: Carissa, can we please pull up  
11:38:25 13 Exhibit 371?

11:38:29 14 BY MR. BEAN:

11:38:29 15 **Q** What is this?

11:38:31 16 **A** Well, you asked about -- previously about notices of  
11:38:34 17 federal tax lien. This is a notice of federal tax lien that  
11:38:38 18 we filed with the Stark County Recorder, which is the  
11:38:41 19 location we would be required to file it since  
11:38:44 20 Mr. Karasarides resides in that county.

11:38:47 21 It lists the tax periods and the assessed balances due  
11:38:52 22 for each tax period and then the total due for those periods  
11:39:00 23 that are assessed.

11:39:01 24 **Q** And were you responsible for the filing of this  
11:39:04 25 notice?

11:39:04 1 **A** Yes.

11:39:06 2 **Q** Is your name on this document?

11:39:08 3 **A** It's on it, but we -- we basically hit a button and it  
11:39:12 4 gets sent to the county recorder systemically, so that's a  
11:39:16 5 facsimile signature for me. I don't normally hand-carry  
11:39:22 6 notices of federal tax lien to the county.

11:39:25 7 **Q** And what's the date on this?

11:39:30 8 **A** The date requested is April 17th of 2013. The filing  
11:39:35 9 date looks like it was filed, recorded by the county  
11:39:39 10 April 26th of 2013.

11:39:43 11 MR. BEAN: Carissa, can you please blow up the  
11:39:46 12 middle section next to the yellow line?

11:39:56 13 Thank you.

11:39:57 14 BY MR. BEAN:

11:39:58 15 **Q** What's -- what's listed on this part of the document?

11:40:03 16 **A** The type of tax, the year. Identifying number we  
11:40:11 17 always redact. We don't want people's social security  
11:40:14 18 numbers being out in the public. The date the tax was  
11:40:16 19 assessed and the unpaid balance of assessment.

11:40:22 20 **Q** And is there a total of all the unpaid balances on  
11:40:25 21 this?

11:40:26 22 **A** Yes, sir.

11:40:27 23 **Q** And how much was it at that time?

11:40:29 24 **A** At that time, it was \$1,223,237.94, but that would not  
11:40:37 25 include some accrued interest and penalty that's not listed

11:40:41 1 on this.

11:40:42 2 **Q** Now, I think you testified to this already, but would  
11:40:45 3 filing this notice, would the lien attach to his residence?

11:40:51 4 **A** The notice of --

11:40:53 5 **Q** Let me rephrase.

11:40:54 6 Did it attach to his residence?

11:40:55 7 **A** Well, the notice of federal tax lien attaches to all  
11:40:59 8 assets the taxpayer has, whether it's personal property or  
11:41:02 9 real property. Now, since the title of the residence was  
11:41:07 10 not in Mr. Karasarides' name, the lien attached to his  
11:41:10 11 interest in that land contract.

11:41:16 12 MR. BEAN: Carissa, can we please pull up  
11:41:21 13 Exhibit 209?

11:41:22 14 BY MR. BEAN:

11:41:23 15 **Q** Sir, what is this?

11:41:25 16 **A** This is a Form 12277. It's called an application for  
11:41:30 17 withdrawal of filed lien. The taxpayer is asking for the  
11:41:36 18 lien to be withdrawn from the county recorder.

11:41:38 19 **Q** And who is the taxpayer on this document?

11:41:42 20 **A** Christos Karasarides, Jr.

11:41:44 21 **Q** Who is the taxpayer's representative?

11:41:46 22 **A** Ron DiPietro.

11:41:48 23 **Q** And this document, does it appear to be signed by the  
11:41:51 24 taxpayer?

11:41:53 25 **A** Yes, it does.

11:41:55 1 MR. BEAN: And Carissa, could we blow up that  
11:41:57 2 bottom part where it says "affirmation"?  
11:42:04 3 BY MR. BEAN:  
11:42:04 4 **Q** Are you able to tell the date there in this section?  
11:42:07 5 **A** It appears to be June 15th of 2013.  
11:42:12 6 **Q** Thank you.  
11:42:16 7 MR. BEAN: You can zoom out.  
8 BY MR. BEAN:  
11:42:17 9 **Q** Was the -- was this application for withdrawal of lien  
11:42:21 10 granted?  
11:42:22 11 **A** No.  
11:42:23 12 **Q** Why not?  
11:42:25 13 **A** In the first place, Mr. DiPietro submitted the  
11:42:28 14 incorrect form for the action he was asking the IRS to take.  
11:42:33 15 It should have been a different form. He's asking just for  
11:42:38 16 the specific property on Meese Road to be released from the  
11:42:44 17 lien, or withdrawn, and really the actual form should be a  
11:42:48 18 lien discharge where we would discharge a specific property  
11:42:51 19 from the lien, but the lien against the taxpayer would  
11:42:54 20 remain against anything else.  
11:42:57 21 **Q** Well, other than the issues with the form, were there  
11:42:59 22 any substantive reasons?  
11:43:01 23 **A** There is no information to back up what I was being  
11:43:05 24 told.  
11:43:07 25 You know, purportedly this person who resided at that

11:43:14 1 property on Meese Road, it was a Jason Kachner, I believe,  
11:43:17 2 purportedly he had paid for the property in cash. There was  
11:43:22 3 no receipts, there's no record of it, there's no escrow  
11:43:25 4 file, there's no deed submitted related to this property.  
11:43:30 5 So, you know, it didn't have any substance warranting us to  
11:43:38 6 address this property either from a lien discharge or  
11:43:41 7 withdrawal.

11:43:44 8 MR. BEAN: Carissa, can we please go back to  
11:43:47 9 Exhibit 200 and go to Page 9?

11:43:56 10 And can we blow up that top section?

11:44:03 11 BY MR. BEAN:

11:44:03 12 Q Did you have contact with Mr. DiPietro on  
11:44:06 13 September 13th, 2013?

11:44:08 14 A Yes, sir.

11:44:09 15 Q What -- can you relate that conversation, please?

11:44:12 16 A Mr. DiPietro had called me. He asked about some type  
11:44:16 17 of settlement on this case. And I explained to him I don't  
11:44:20 18 have settlement authority, I don't have that, you know,  
11:44:24 19 ability to settle cases for less than the total amount owed.  
11:44:28 20 And I told him about the formal process that we have which  
11:44:32 21 is called an offer in compromise.

11:44:37 22 And Mr. DiPietro indicated that if Mr. Karasarides  
11:44:40 23 loses his State of Ohio litigation, he won't be able to pay  
11:44:43 24 anything, but if he's successful, he could pay in full in a  
11:44:46 25 year.

11:44:47 1 And I told him that the -- any offer in compromise  
11:44:51 2 submitted, he would have to file -- or submit 20 percent as  
11:44:55 3 a down payment on the amount offered.

11:45:05 4 I went on to tell him that, really, the lien discharge  
11:45:08 5 application is what he should submit to me rather than the  
11:45:11 6 lien withdrawal form.

11:45:12 7 **Q** Did Mr. DiPietro ask you for any information?

11:45:15 8 **A** Yes, he did.

11:45:16 9 **Q** What did he ask you for?

11:45:20 10 **A** He asked me for another acronym. He asked me for the  
11:45:26 11 IRP information, which is the information that third parties  
11:45:31 12 send to the IRS at the end of each year to advise the IRS of  
11:45:35 13 what income a certain taxpayer had for that year.

11:45:39 14 You know, most people are familiar with the W-2s, your  
11:45:44 15 W-2 form if you work for a company, if you have some bank  
11:45:51 16 interest or brokerage investment interest, something like  
11:45:54 17 that. But in this case he was asking for the -- that  
11:46:00 18 information for the year 2012, which would assist him in  
11:46:04 19 preparing that 2012 tax return.

11:46:09 20 **Q** And did you provide that information?

11:46:11 21 **A** Yes, I did.

11:46:17 22 **Q** And I apologize if you mentioned this already, sir,  
11:46:21 23 but did Mr. DiPietro talk about what would happen -- what  
11:46:23 24 his situation would be if his current litigation did not  
11:46:28 25 resolve in his favor?

11:46:29 1 **A** Yes. He said the taxpayer would not be able to pay  
11:46:31 2 these liabilities.

11:46:33 3 **Q** At some point did you learn how that litigation was  
11:46:36 4 resolved?

11:46:38 5 **A** Yes.

11:46:39 6 **Q** How was it resolved, as communicated to you?

11:46:44 7 **A** Not in Mr. Karasarides' favor. He was unsuccessful.

11:46:48 8 **Q** So was it communicated to you again this same message,  
11:46:51 9 that --

11:46:52 10 **A** Yeah, my client cannot pay these taxes.

11:47:01 11 **Q** Did you -- we mentioned this IRP data. What tax year  
11:47:05 12 was he requesting the data for?

11:47:07 13 **A** The 2012 tax year.

11:47:09 14 MR. BEAN: Can we please pull up Exhibit 104?

11:47:16 15 And can we please go to Page 2 of the --

11:47:19 16 Mr. Karasarides' 2012 account transcript.

11:47:23 17 And Page 3, excuse me.

11:47:27 18 BY MR. BEAN:

11:47:27 19 **Q** Sir, are you familiar with these types of documents?

11:47:31 20 **A** Yes, sir. They're transcript of accounts.

11:47:33 21 **Q** All right. Does this document show when

11:47:37 22 Mr. Karasarides' 2012 tax return was filed?

11:47:46 23 MR. BEAN: Can you blow up the top, please?

11:47:49 24 THE WITNESS: You know, it was assessed --

11:47:50 25 looks like it was assessed on November 18th of 2013. I



11:47:57 1 don't know that that's the same -- exact same date that the  
11:48:00 2 return was filed.

11:48:01 3 BY MR. BEAN:

11:48:01 4 **Q** Sir, does the document say whether a tax return was  
11:48:04 5 filed?

11:48:04 6 **A** Yes.

11:48:05 7 **Q** Okay. And on what date?

11:48:07 8 **A** It says November 18th, 2013.

11:48:10 9 **Q** Okay. Thank you.

11:48:12 10 MR. BEAN: Can we please pull up Exhibit 105?

11 11 BY. MR. BEAN:

11:48:18 12 **Q** And on November 18th, 2013, was your collections case  
11:48:22 13 ongoing?

11:48:26 14 **A** Yes, sir.

11:48:27 15 **Q** Okay. Is this Mr. Karasarides' 2012 tax return?

11:48:30 16 **A** Yes, sir.

11:48:31 17 MR. BEAN: Can we please go to the Schedule  
11:48:41 18 Cs?

11:48:56 19 Thank you.

11:48:57 20 BY MR. BEAN:

11:48:57 21 **Q** Did you have any discussions with Mr. DiPietro  
11:48:59 22 regarding Mr. Karasarides' businesses that were reported on  
11:49:03 23 this tax return?

11:49:05 24 **A** Well, he had indicated that, you know, these  
11:49:09 25 businesses had been closed based on the action of, you know,

11:49:13 1 state and local authorities.

11:49:14 2 **Q** But did he indicate whether they were open in 2012?

11:49:21 3 **A** I don't recall.

11:49:23 4 MR. BEAN: Could we go down a couple pages?

11:49:27 5 One more.

11:49:28 6 Thank you.

11:49:29 7 BY MR. BEAN:

11:49:29 8 **Q** And I believe you testified that Mr. DiPietro talked

11:49:31 9 about Mr. Karasarides' I think what he described as

11:49:35 10 professional gambling.

11:49:36 11 **A** Yes, sir.

11:49:38 12 **Q** Is this your understanding what -- reporting that

11:49:42 13 professional gambling?

11:49:46 14 MR. FEDOR: Objection.

11:49:47 15 THE COURT: Overruled.

11:49:48 16 THE WITNESS: Yes.

11:49:49 17 BY MR. BEAN:

11:49:49 18 **Q** Sir, have you reviewed this tax return prior to your

11:49:51 19 testimony today?

11:49:53 20 **A** Yes, I have.

11:49:54 21 **Q** All right. Is there anywhere on this tax return where

11:50:00 22 Mr. Karasarides reported having an interest in a business

11:50:02 23 called Skilled Shamrock?

11:50:02 24 **A** No, sir.

11:50:03 25 **Q** How about a business called Redemption?

11:50:05 1 **A** No, sir.

11:50:05 2 **Q** How about that he earned income from a business called  
11:50:11 3 Skilled Shamrock?

11:50:11 4 **A** No, sir.

11:50:12 5 **Q** Or earned income from a business called Redemption?

11:50:14 6 **A** No, sir.

11:50:16 7 **Q** Sir, during the course of your collections, did you  
11:50:19 8 learn on your own more information about Mr. Karasarides'  
11:50:26 9 gambling?

11:50:29 10 **A** Can you be specific?

11:50:30 11 **Q** Well, did you -- I think earlier you testified that  
11:50:32 12 during a collections case it's common for you to get  
11:50:35 13 documents from third parties. Is that right?

11:50:37 14 **A** Right.

11:50:38 15 **Q** In the course of your collections case, did you  
11:50:41 16 summons documents from casinos, you know, the type you'd  
11:50:45 17 find in Vegas or the Jack next door?

11:50:48 18 **A** You know, I may have. I can't specifically recall.  
11:50:58 19 I'm going back 8 or 9 years. You know that?

11:51:03 20 **Q** I do.

11:51:04 21 If Mr. Karasarides had income that was not reported on  
11:51:07 22 his tax return, the 2012 tax return that he filed, is that  
11:51:10 23 something that you would have wanted to know?

11:51:13 24 **A** Yes, sir.

11:51:13 25 **Q** Why?

11:51:13 1 **A** To assist us in collecting liability that he owed that  
11:51:16 2 he said he couldn't pay.

11:51:18 3 MR. BEAN: Could we please go back to  
11:51:21 4 Exhibit 200 and go to Page 15?

11:51:29 5 And can we please blow up this section?

11:51:35 6 BY MR. BEAN:

11:51:35 7 **Q** At some time in 2014, did Mr. DiPietro tell you that  
11:51:39 8 Mr. Karasarides' prior source of income from VS2 had ended  
11:51:44 9 and would not restart?

11:51:52 10 **A** I don't see that it's on this history entry.

11:51:54 11 **Q** Oh, no. I'm just asking you --

11:51:56 12 **A** Oh.

11:51:57 13 **Q** -- do you recall that conversation?

11:51:59 14 **A** Yeah, I believe he did say that.

11:52:01 15 **Q** And do you recall Mr. DiPietro telling you that at a  
11:52:05 16 certain point Mr. Karasarides was in prison?

11:52:06 17 **A** Yes.

11:52:07 18 **Q** And did Mr. DiPietro make any representations to you  
11:52:10 19 whether how being in prison was going to impact  
11:52:13 20 Mr. Karasarides' ability to make income and pay his tax  
11:52:17 21 debt?

11:52:17 22 **A** Well, he would be out the ability to earn income if  
11:52:21 23 he's in prison.

11:52:24 24 MR. BEAN: Can we please go to Exhibit 372?

11:52:31 25 BY MR. BEAN:

11:52:31 1 Q What is this?

11:52:32 2 A It's another notice of tax lien. This is for the year  
11:52:35 3 2012.

11:52:36 4 Q And were you responsible for the filing of this tax  
11:52:39 5 lien?

11:52:40 6 A Yes. I requested that lien be filed December 30th of  
11:52:45 7 2013. It was recorded January 8th of 2014.

11:52:51 8 Q And who -- who is the taxpayer on this document?

11:52:54 9 A Christos Karasarides, Jr.

11:52:57 10 Q And what's the unpaid balance for that tax period?

11:53:00 11 A For that year it was \$355,404.69.

11:53:06 12 Q And for what tax period does that relate to?

11:53:11 13 A The December -- or the 2012 tax year.

11:53:14 14 Q But he did file a 2012 tax return; right?

11:53:17 15 A Yes.

11:53:20 16 Q So why is -- why are you filing this lien?

11:53:23 17 A He filed the tax return for 2012 but didn't make the  
11:53:27 18 payment, so we're -- we're filing the lien to take our place  
11:53:34 19 in competing with other creditors.

11:53:39 20 MR. BEAN: Carissa, can you please pull up  
11:53:41 21 Exhibit 175?

11:53:48 22 And can you blow up the -- this text.

11:53:54 23 BY MR. BEAN:

11:53:54 24 Q Sir, what is this document?

11:53:58 25 A This document is a letter number 1058, Letter 1058.

11:54:08 1 Tells the taxpayer this is your final notice. You know, if  
11:54:12 2 the liability is not paid by such and such date, we can take  
11:54:18 3 action against your assets. Giving you the final notice  
11:54:23 4 that we're going to take action but you do have appeal  
11:54:26 5 rights for this form.

11:54:28 6 MR. BEAN: And Carissa, can you zoom out and  
11:54:32 7 then zoom in on the top section, please?

11:54:35 8 Up here, sorry.

11:54:41 9 BY MR. BEAN:

11:54:42 10 Q Who is this letter addressed to?

11:54:44 11 A Christos Karasarides, Jr.

11:54:47 12 Q And who is the contact person?

11:54:49 13 A That would be me.

11:54:49 14 Q And what's the date on this letter?

11:54:52 15 A June 20th of 2014.

11:54:54 16 Q Were you responsible for this letter being sent out?

11:54:58 17 A Yes, sir. I generated the letter.

11:54:59 18 Q All right.

11:55:02 19 MR. BEAN: Can you please zoom out Carissa?

11:55:05 20 And sir I'm going to --

11:55:08 21 If we can blow up the part where it says "Why are we  
11:55:11 22 sending you this letter?" and ask Mr. Ross if you could  
11:55:13 23 kindly read that section.

11:55:15 24 THE WITNESS: Okay. "Your federal tax is  
11:55:17 25 still unpaid. We asked you to pay the tax, but we still

11:55:21 1 haven't received your payment. This letter is your notice  
11:55:23 2 of our intent to levy under Internal Revenue Code § 6331 and  
11:55:28 3 your right to request an appeals hearing under § 6330(a).

11:55:34 4 BY MR. BEAN:

11:55:35 5 **Q** Now, in the course of your job as a revenue officer  
11:55:37 6 and doing collections, is it uncommon for you to send out  
11:55:40 7 this kind of letter?

11:55:42 8 **A** It's very, very common.

11:55:44 9 **Q** So is there anything unusual about you sending this  
11:55:47 10 letter to Mr. Karasarides?

11:55:51 11 **A** No.

11:55:53 12 MR. BEAN: Carissa, can we zoom out?

11:55:57 13 And can you please zoom in on the second paragraph?

11:56:05 14 BY MR. BEAN:

11:56:05 15 **Q** Does this letter say how much Mr. Karasarides owed at  
11:56:09 16 that time?

11:56:09 17 **A** Yes, sir.

11:56:09 18 **Q** How much did he owe?

11:56:12 19 **A** \$1,866,152.70. That -- that figure was good through  
11:56:22 20 June 30th of 2014.

11:56:24 21 **Q** So is it accurate this number has gone up since you  
11:56:26 22 started your collections?

11:56:27 23 **A** Yes, it has.

11:56:29 24 **Q** And does this inform Mr. Karasarides that that number  
11:56:33 25 could continue to go up if he doesn't pay?

11:56:35 1 **A** Yes, with penalties and interest.

11:56:36 2 **Q** All right.

11:56:39 3 MR. BEAN: Carissa, can you zoom out and go to  
11:56:42 4 Page 2, please?

11:56:44 5 And then can you zoom in on the bolded "What are we  
11:56:48 6 going to do" in that section?

11:56:52 7 BY MR. BEAN:

11:56:53 8 **Q** Sir, can you please read the "What we are going to do"  
11:56:55 9 section?

11:56:55 10 **A** "We may file notice of federal tax lien at any time to  
11:56:59 11 protect the government's interest. A lien is a public  
11:57:02 12 notice to your creditors that the government has a right to  
11:57:04 13 your current assets, including any assets you acquire after  
11:57:09 14 we file the lien. If you don't pay the amount owed or make  
11:57:12 15 alternative arrangements to pay or request an appeals  
11:57:15 16 hearing within 30 days from this letter, we may take  
11:57:19 17 collection action against your property or rights to  
11:57:20 18 property, such as real estate, automobiles, business assets,  
11:57:23 19 bank accounts, and other income."

11:57:25 20 **Q** So is it fair to say at this time you were starting to  
11:57:29 21 conclude the information gathering portion of your  
11:57:32 22 collections and moving on to trying to actually collect?

11:57:35 23 **A** Well, the collection action as far as investigation  
11:57:40 24 continues normally throughout the case. We don't just stop  
11:57:45 25 investigating after we send the final notice.



11:57:48 1 MR. BEAN: Carissa, you can zoom out.

11:57:50 2 Thank you.

11:57:53 3 And if you can zoom in on the bottom part.

11:57:56 4 BY MR. BEAN:

11:57:56 5 Q Does this show -- what -- can you tell the jury what  
11:57:59 6 this shows?

11:58:01 7 A Shows the amounts due by tax period.

11:58:05 8 Q So what periods does it show tax due for?

11:58:08 9 A On those periods listed on the letter it was 2008,  
11:58:15 10 2009, 2010, 2011, and 2012.

11:58:20 11 MR. BEAN: Can we please go back to  
11:58:22 12 Exhibit 200?

11:58:25 13 And can we please go. . . last time we were. . . can  
11:58:37 14 we just go to Page 15?

11:58:46 15 And can you go to the next page, please?

11:58:51 16 Can you zoom in on that very top part? The. . .

11:59:03 17 BY MR. BEAN:

11:59:03 18 Q Sir, is there a -- is this the latter half of an entry  
11:59:07 19 carried over from the previous page?

11:59:08 20 A Yes, sir.

11:59:08 21 Q All right. And does it make reference to an OIC?

11:59:18 22 A Yeah. I believe there was conversation with  
11:59:25 23 Mr. DiPietro.

11:59:25 24 Q So did Mr. DiPietro bring up something called an OIC?

11:59:29 25 A Yes.

11:59:30 1 Q What does an OIC stand for?

11:59:33 2 A Offer in compromise.

11:59:35 3 Q And what is an offer in compromise?

11:59:40 4 A Offer in compromise would be where a taxpayer proposes

11:59:44 5 to pay less than the total amount due. In other words, we

11:59:49 6 are settling the total tax bill for a lesser amount.

11:59:55 7 MR. BEAN: Carissa, can we please go to

11:59:57 8 Exhibit 106?

12:00:02 9 And go to the next page, and the next page, please.

12:00:05 10 Sir, does --

12:00:05 11 And can you zoom in on the top section, the top few

12:00:08 12 entries?

13 BY MR. BEAN:

12:00:11 14 Q Sir, does this 2000 tax year account transcript for

12:00:16 15 Mr. Karasarides show that he filed a tax return for that tax

12:00:19 16 year?

12:00:21 17 A Yes.

12:00:22 18 Q And when -- does it provide a date for when he did

12:00:25 19 that?

12:00:26 20 A Shows September 29th, 2014.

12:00:30 21 Q And was your collections case ongoing at that time?

12:00:33 22 A Yes, sir.

12:00:35 23 MR. BEAN: Carissa, you can zoom out.

12:00:39 24 BY MR. BEAN:

12:00:40 25 Q Now, are you familiar with these type of account

12:00:42 1 transcripts just from working at the IRS?

12:00:45 2 **A** Yes.

12:00:45 3 **Q** And would this account transcript show if

12:00:48 4 Mr. Karasarides had made any payments on his tax debt for

12:00:53 5 tax year 2014?

12:00:55 6 **A** Yeah, a transcript would reflect payments.

12:00:57 7 **Q** Okay. Does this transcript reflect that any payments

12:01:00 8 were made?

12:01:00 9 **A** I do not see any.

12:01:02 10 **Q** All right.

12:01:02 11 MR. BEAN: Carissa, are there any other pages  
12:01:05 12 on this?

12:01:08 13 There are no other pages.

12:01:11 14 Can we please pull up Exhibit 107 and go to Page 2?

12:01:17 15 BY MR. BEAN:

12:01:17 16 **Q** Is this Mr. Karasarides' 2013 tax return?

12:01:20 17 **A** Yes, sir.

12:01:22 18 **Q** Have you reviewed this return prior to your testimony  
12:01:26 19 today?

12:01:26 20 **A** Yes, sir.

12:01:27 21 **Q** I mean, in fact, is -- might you have reviewed this  
12:01:31 22 return during your collections activity?

12:01:32 23 **A** Yes, sir.

12:01:34 24 **Q** Do you remember specifically if you did?

12:01:36 25 **A** No, I do not.

12:01:37 1 Q But would it be normal course of action?

12:01:41 2 A Normal course of business, right.

12:01:43 3 Q Does this tax return show that Mr. Karasarides has any  
12:01:46 4 income or ownership of a business called Skilled Shamrock?

12:01:49 5 A No, sir.

12:01:50 6 Q Does this tax return show that Mr. Karasarides has any  
12:01:55 7 income or ownership of a business called Redemption?

12:01:56 8 A No, sir.

12:01:57 9 Q Does this tax return report that Mr. Karasarides had  
12:02:00 10 income from businesses named Skilled Shamrock or Redemption?

12:02:05 11 A No, sir.

12:02:05 12 Q If Mr. Karasarides had income in 2013 that was not  
12:02:09 13 reported on this tax return, would you have wanted to know  
12:02:11 14 that?

12:02:12 15 A Definitely.

12:02:20 16 MR. BEAN: Can we please go to Exhibit 375?

12:02:26 17 Can you try --

12:02:27 18 THE COURT: Mr. Bean, is this a good time to  
12:02:28 19 stop you?

12:02:29 20 MR. BEAN: That would be fine, Your Honor.

12:02:30 21 THE COURT: Okay.

12:02:31 22 Folks, it's a little bit after noon. We'll take our  
12:02:34 23 noon recess at this time.

12:02:36 24 1:20 or thereabouts I think we'll call for you.

12:02:40 25 Am I giving you enough time at lunch?

12:02:42 1 Okay. Enjoy your lunch.

12:02:43 2 And we'll see you where, Morgan? Where do we meet?

12:02:48 3 Oh, all right. Just wanted to see if you were paying  
12:02:50 4 attention.

12:02:51 5 COURTROOM DEPUTY: All rise.

12:03:35 6 (Jury excused from courtroom at 12:03 p.m.)

12:03:35 7 MR. GOLDBERG: We objected during Mr. Ross'  
12:03:38 8 testimony when he started to relate to the jury what he read  
12:03:44 9 in a pleading in divorce court, and to the extent that -- to  
12:03:50 10 the extent that for -- that the matters asserted in that  
12:03:53 11 pleading are taken for the truth, then we object on a  
12:03:58 12 hearsay basis.

12:04:00 13 I understand that if he -- the information he received  
12:04:03 14 was used as part of his investigation and he acted on it,  
12:04:09 15 then there may be a reason for that to come into evidence,  
12:04:13 16 but I'd ask that the jury get an instruction limiting their  
12:04:18 17 use and consideration of that evidence.

12:04:21 18 THE COURT: What would that instruction be?

12:04:23 19 MR. GOLDBERG: Well, that you're -- that  
12:04:25 20 they're not to take the testimony from the witness as to  
12:04:28 21 what was in a court document that he read for the truth of  
12:04:32 22 what he said but, rather, how it guided his investigation.

12:04:39 23 THE COURT: Well, Mr. Bean, what do you have  
12:04:40 24 to say about that?

12:04:41 25 MR. BEAN: I don't have an objection to the

12:04:44 1 substance of the jury instruction, just that we ensure that  
12:04:48 2 it's very clear exactly what it refers to. Because we've  
12:04:52 3 shown a number of documents and he's testified about a --

12:04:55 4 THE COURT: I think he was talking about the  
12:04:57 5 affidavit and the spreadsheet. Is that what you're talking  
12:04:59 6 about?

12:05:00 7 MR. GOLDBERG: No. He testified as to a  
12:05:01 8 document that I don't believe is coming into evidence that  
12:05:06 9 was in the divorce court file that the -- Mr. Karasarides'  
12:05:10 10 ex-wife's lawyer filed stating there were undisclosed assets  
12:05:14 11 and there was some kind of fraud.

12:05:16 12 THE COURT: I think wasn't that her affidavit  
12:05:18 13 and a spreadsheet?

12:05:18 14 MR. GOLDBERG: There was some kind of  
12:05:19 15 spreadsheet that she found on a computer, correct, yes.

12:05:21 16 THE COURT: Right.

12:05:23 17 MR. GOLDBERG: Correct.

12:05:25 18 I mean, I feel like that has to be -- if it's taken  
12:05:28 19 for the matter that's asserted, that is that he had all  
12:05:32 20 these assets, then that's hearsay, it shouldn't come in.

12:05:35 21 If it guided Mr. Ross on his investigation, then it  
12:05:38 22 can be taken for that.

12:05:39 23 THE COURT: Okay. Well, without -- I will let  
12:05:42 24 him finish his direct examination. You can cross-examine.  
12:05:46 25 If you still think a modifying instruction is appropriate,

12:05:49 1 I'll take -- probably give it. Okay?

12:05:53 2 MR. GOLDBERG: Yep.

12:07:35 3 (Recess was taken at 12:07 p.m.)

01:30:48 4 COURTROOM DEPUTY: All rise for the jury.

01:31:14 5 (Jury returned to courtroom at 1:30 p.m.)

01:31:14 6 COURTROOM DEPUTY: Court is in session.

01:31:15 7 Please be seated.

01:31:16 8 THE COURT: Good afternoon, ladies and  
01:31:17 9 gentlemen.

01:31:17 10 THE JURY: Good afternoon.

01:31:18 11 THE COURT: Well, I've got good news and bad  
01:31:20 12 news for you.

01:31:21 13 Good news is, I hear today is Morgan's birthday.

01:31:26 14 A JUROR: That's right.

01:31:29 15 THE COURT: The bad news is, I hope she  
01:31:32 16 doesn't go out and celebrate too much tonight and we're  
01:31:35 17 waiting for her tomorrow morning.

01:31:37 18 A JUROR: You won't be. I promise.

01:31:38 19 THE COURT: Okay. Well, then, maybe the snow.  
01:31:41 20 We don't know.

01:31:41 21 A JUROR: That's true.

01:31:42 22 THE COURT: We're keeping our fingers crossed  
01:31:46 23 about that.

01:31:52 24 (Off-record discussion.)

01:31:57 25 THE COURT: All right. You may continue.

01:32:07 1 BY MR. BEAN:

01:32:08 2 Q At some point during your collections case on  
01:32:11 3 Mr. Karasarides, was there a civil examination of  
01:32:15 4 Mr. Karasarides' wife?

01:32:19 5 A I wouldn't characterize it as an examination. In IRS  
01:32:23 6 lingo, examination is where somebody's auditing a return.

01:32:26 7 I did summons the wife of Mr. Karasarides for  
01:32:31 8 testimony. I did do that.

01:32:35 9 Q So were you ever involved in a civil examination of  
01:32:42 10 Ms. Bragg?

01:32:43 11 A Again, in relation --

01:32:45 12 Q Do you do civil examinations?

01:32:46 13 A No audits, not audits of returns.

01:32:50 14 Q So the answer is no?

01:32:51 15 A Correct, no.

01:32:54 16 Q In the course of interacting with Ms. Bragg, did you  
01:32:58 17 interact with anybody else?

01:33:02 18 A You mean in reference to meeting at the Canton office?

01:33:06 19 Q Whatever interactions you had with Ms. Bragg.

01:33:10 20 A Yes, I did stop by the residence on Dunkeith and  
01:33:15 21 served her with a summons to appear in the Canton office  
01:33:19 22 several weeks later for oral testimony.

01:33:21 23 Q And during that visit to the residence, did you run  
01:33:25 24 into anybody else?

01:33:26 25 A Yes.



01:33:26 1 Q Who?

01:33:28 2 A Christos Karasarides, Jr.

01:33:30 3 Q And did he speak to you?

01:33:32 4 A Yes.

01:33:32 5 Q What did he say?

01:33:34 6 A Well, I identified myself, and he said, oh, I know who  
01:33:39 7 you are. You're the guy that's trying to take all my stuff.

01:33:42 8 And I told him I wasn't there to interview him or meet

01:33:46 9 regarding the case, I was just there to speak with his wife,

01:33:52 10 Melissa Bragg, to serve papers on her.

01:33:56 11 Q And did you have any further discussions with  
01:33:58 12 Mr. Karasarides?

01:33:59 13 A Yes.

01:34:02 14 You know, we don't do an end-run and try and interview  
01:34:06 15 a taxpayer who has an appointed representative, so I made it  
01:34:12 16 clear that I wasn't there to discuss the case with him. But  
01:34:14 17 he did mention that he intended or he wanted to settle the  
01:34:19 18 tax liability case with the IRS for 5 or \$10,000 but his  
01:34:24 19 representative wouldn't do it or we wouldn't do it.

01:34:27 20 MR. BEAN: Carissa, could you please pull up  
01:34:30 21 Exhibit 200, again, and go to Page 20?

01:34:37 22 And could you blow up the bottom, 4-14-2015 entry?  
01:34:45 23 The bottom one, please.

01:34:51 24 BY MR. BEAN:

01:34:51 25 Q Mr. Ross, at some point did you begin having

01:34:54 1 discussions internally about seizing the land contract on  
01:35:01 2 Mr. Karasarides' residence?

01:35:02 3 **A** Yes, I did.

01:35:03 4 **Q** And were there some complications at least in your  
01:35:06 5 mind regarding doing that that you wanted to work out?

01:35:08 6 **A** Yeah. First of all, you have the -- we have to  
01:35:11 7 determine a value of any asset that we're intending to  
01:35:15 8 seize.

01:35:16 9 The other issue is, in this case, you know, trying to  
01:35:23 10 weigh the different -- weigh the balance, seizing the land  
01:35:29 11 contract or waiting until the property is completely paid  
01:35:33 12 for and it goes into Mr. Karasarides' name. It could be a  
01:35:41 13 difference in value.

01:35:42 14 If somebody were to purchase an interest in a land  
01:35:46 15 contract, they'd probably be buying a lawsuit. They'd  
01:35:49 16 probably need to get the sheriff to evict the person out of  
01:35:51 17 the residence of that property.

01:35:55 18 **Q** And did you have internal discussions at the IRS to  
01:35:58 19 get advice on how to proceed?

01:36:00 20 **A** Yes.

01:36:02 21 **Q** Now, moments ago you mentioned a conversation or --  
01:36:09 22 you had with Mr. Karasarides at his house while serving a  
01:36:11 23 summons on his wife. During that conversation, did  
01:36:14 24 Mr. Karasarides mention his neighbor at all?

01:36:16 25 **A** Yes.

01:36:16 1 Q What did he say about his neighbor?

01:36:18 2 A What I recall is he said, you know, I know you've been  
01:36:22 3 next door, and I took that to mean the owner of the real  
01:36:29 4 property where Mr. Karasarides resided. In other words, the  
01:36:34 5 seller of the land contract.

01:36:38 6 MR. BEAN: Carissa, can we please pull up  
01:36:41 7 Exhibit 206?

01:36:43 8 And can you flip through the pages briefly just so  
01:36:46 9 Mr. Ross look at it.

01:36:49 10 And go back to Page 1, please.

01:36:51 11 BY MR. BEAN:

01:36:51 12 Q Sir, what is this?

01:36:53 13 A What you have is a fax copy from Richard Jusseaume,  
01:37:02 14 who is the husband of Theresa. And the Theresa Jusseaume  
01:37:07 15 Trust is the party selling the residence via land contract  
01:37:11 16 where Mr. Karasarides resided.

01:37:16 17 Q And did you summon some information from the  
01:37:20 18 Jusseaumes?

01:37:20 19 A Yes.

01:37:21 20 Q And did Mr. Richard Jusseaume respond to that summons?

01:37:24 21 A Yes, via this fax.

01:37:25 22 Q So is this his response, this exhibit?

01:37:27 23 A Yes.

01:37:28 24 Q All right.

01:37:29 25 MR. BEAN: Can we please go to Page 2.

01:37:31 1 MR. GOLDBERG: Objection.

01:37:31 2 THE COURT: Overruled.

3 BY MR. BEAN:

01:37:34 4 **Q** What is reported here?

01:37:37 5 **A** The information on this fax indicated the balance due  
01:37:43 6 on the land contract as of certain dates and the dates and  
01:37:49 7 the amounts of recent payments from December 1st, 2015,  
01:37:55 8 until the current date, September 21st, 2016.

01:38:01 9 **Q** Now, in the -- in the course of your collections, did  
01:38:06 10 you communicate to Mr. DiPietro your intent to seize or  
01:38:11 11 foreclose on his residence, Mr. Karasarides' residence?

01:38:14 12 **A** Yeah, at some point that was my focus, to put pressure  
01:38:19 13 regarding this asset because I thought that was the biggest  
01:38:22 14 leverage the IRS had.

01:38:25 15 MR. BEAN: Carissa, can we please go to  
01:38:28 16 Exhibit 200, Page 37?

01:38:33 17 And can we please blow up the bottom one, bottom  
01:38:38 18 entry?

01:38:39 19 BY MR. BEAN:

01:38:41 20 **Q** Did you have contact with Mr. DiPietro on July 1st,  
01:38:45 21 2015?

01:38:45 22 **A** Yes, sir.

01:38:46 23 **Q** And can you just describe that contact, please?

01:38:49 24 **A** I gave him the total balances on the tax liabilities  
01:38:52 25 by each tax period. He says he wants to address -- his

01:38:58 1 client wants to address the notice of federal tax lien on  
01:39:01 2 the three inner city Canton properties. He says an investor  
01:39:04 3 wants to put 10,000 down and make payments basically to the  
01:39:08 4 IRS to -- for them to be able to purchase those properties.

01:39:15 5 **Q** And did you have any discussions with Mr. DiPietro  
01:39:17 6 regarding the land contract at 2231 Dunkeith?

01:39:22 7 **A** Yeah. I told him, you know, that we may be seeking  
01:39:26 8 approval to seize the land contract regarding the residence  
01:39:30 9 and then the house on Meese Road and any other assets  
01:39:33 10 located.

01:39:34 11 MR. BEAN: Carissa, can we please pull up  
01:39:36 12 Exhibit 108?

01:39:40 13 And go to Page. . .

01:39:42 14 BY MR. BEAN:

01:39:43 15 **Q** Sir, is this Mr. Karasarides' tax year 2014 account  
01:39:48 16 transcript?

01:39:48 17 **A** Yes, sir.

01:39:49 18 **Q** All right.

01:39:50 19 MR. BEAN: Can we please go to the next page?  
01:39:52 20 And can you blow up the top few entries, please?

01:39:54 21 BY MR. BEAN:

01:39:55 22 **Q** Does this tax return show when Mr. Karasarides filed a  
01:39:57 23 tax return for tax year 2014?

01:40:01 24 **A** Yes, it does.

01:40:01 25 **Q** And on what date did he do that?

01:40:03 1 **A** September 21st, 2015.

01:40:07 2 **Q** And did he report owing tax?

01:40:09 3 **A** Yes.

01:40:10 4 **Q** How much tax did he report owing?

01:40:12 5 **A** The tax only was 135,583, and then there were  
01:40:17 6 additions for late payment and interest.

01:40:22 7 **Q** Did he make a payment with his tax return when he  
01:40:25 8 filed it?

01:40:25 9 **A** No, sir.

01:40:27 10 MR. BEAN: Carissa, can you please zoom out?

01:40:31 11 BY MR. BEAN:

01:40:32 12 **Q** Did he make any payments on his tax year 2014 --

01:40:36 13 **A** No, sir.

01:40:36 14 **Q** -- tax?

01:40:39 15 MR. BEAN: Can we please pull up Exhibit 109?

01:40:43 16 And go to Page 2, please.

01:40:46 17 BY MR. BEAN:

01:40:47 18 **Q** Now, have you reviewed Mr. Karasarides' 2014 tax  
01:40:50 19 return prior to testifying today?

01:40:51 20 **A** Yes.

01:40:52 21 **Q** All right. And does this tax return report that  
01:40:57 22 Mr. Karasarides has any ownership of or interest in a  
01:41:00 23 business called Skilled Shamrock?

01:41:02 24 **A** No, sir.

01:41:02 25 **Q** How about -- same thing for a business called

01:41:06 1 Redemption?

01:41:06 2 **A** No, sir.

01:41:06 3 **Q** How about -- does it report that he had any income  
01:41:09 4 from either of those -- businesses with either of those  
01:41:12 5 names?

01:41:12 6 **A** No, sir.

01:41:12 7 **Q** All right.

01:41:13 8 MR. BEAN: Carissa, can we go down a few  
01:41:15 9 pages, please?

01:41:20 10 Keep going.

01:41:24 11 I'll tell you to stop.

01:41:30 12 Right there. Thank you.

01:41:32 13 BY MR. BEAN:

01:41:33 14 **Q** Does Mr. Karasarides report significant profit from  
01:41:38 15 professional gambling on this tax return?

01:41:41 16 **A** Yes, sir.

01:41:41 17 **Q** How much?

01:41:43 18 **A** 564,559.

01:41:46 19 **Q** And did he take out some expenses from that?

01:41:49 20 **A** Yes.

01:41:50 21 **Q** And so after the expenses, how much -- how much did he  
01:41:53 22 report in profits?

01:41:53 23 **A** 459,559.

01:41:58 24 **Q** Why couldn't he pay over any of that money to the IRS?  
01:42:01 25 Did Mr. DiPietro tell you?

01:42:02 1 **A** No, he did not.

01:42:03 2 **Q** Did anybody tell you?

01:42:05 3 **A** No.

01:42:10 4 **Q** Did you -- did you ever try to seize any of the money  
01:42:14 5 reported here?

01:42:17 6 **A** I wouldn't know how to do it. I wouldn't know  
01:42:19 7 where -- we have to know where the money is first.

01:42:23 8 I did go to the United States Secret Service. There  
01:42:27 9 was an agent there, Larry Henderhan, who was familiar with  
01:42:33 10 Mr. Karasarides and -- because I thought about -- I  
01:42:36 11 considered going to get a court order, a writ of entry to go  
01:42:41 12 into Mr. Karasarides' house to search for cash and other  
01:42:44 13 assets. And I talked to the Secret Service agent, and he  
01:42:48 14 said, Dave --

01:42:50 15 MR. GOLDBERG: Objection.

01:42:51 16 THE COURT: Overruled.

01:42:52 17 Go ahead.

01:42:53 18 THE WITNESS: Mr. Henderhan said, Dave, we've  
01:42:56 19 made two raids on the house on Dunkeith where  
01:43:00 20 Mr. Karasarides lives. There's not going to be any -- a big  
01:43:04 21 pile of money there. He's not going to -- he's not going to  
01:43:06 22 be leaving that kind of -- that money there, so. . .

01:43:11 23 MR. BEAN: Carissa, can we please pull up  
01:43:14 24 Exhibit 352A, which the parties have stipulated is a call  
01:43:21 25 involving Mr. Karasarides?



01:43:26 1 And can you please play that.

01:43:31 2 (Audio played.)

01:44:59 3 MR. BEAN: So I'll note the parties have  
01:45:00 4 stipulated that that call took place on September 5th, 2018.

01:45:03 5 BY MR. BEAN:

01:45:04 6 **Q** Mr. Ross, does the IRS take cash?

01:45:06 7 **A** Certainly.

01:45:07 8 **Q** Are there procedures for accepting payments in cash?

01:45:10 9 **A** Yes, there are.

01:45:12 10 Each person in the job series that I am in, revenue  
01:45:15 11 officer, is issued what's called an 809 receipt book. And  
01:45:22 12 it's got 50 receipts per book. And when you get to the end  
01:45:26 13 of 50, then you tell them -- you put -- give them the cover  
01:45:30 14 of the old book and then they give you a new one.

01:45:33 15 We don't issue cash receipts that often, but the  
01:45:35 16 procedure is in place to issue cash receipts to the taxpayer  
01:45:39 17 or any third party that wants to make a payment.

01:45:44 18 The most recent one I did was a state trooper out  
01:45:49 19 toward Youngstown stopped a man, and he had, like, 5 or  
01:45:55 20 \$6,000 worth of cash on him. And there was no state issue.  
01:45:58 21 Somehow they found out that the guy had federal tax  
01:46:01 22 problems, so they called the feds. And then somebody got  
01:46:04 23 ahold of me. I took my buddy who was sitting in the next  
01:46:09 24 cube over, I said, let's go get some cash.

01:46:11 25 So I went to the State Highway Patrol. They provided

01:46:14 1 the cash. I gave them a receipt of the amount that they  
01:46:17 2 provided so they have a record of it.

01:46:21 3 And then I take it to the bank, get it converted into  
01:46:24 4 a cashier's check and then turn it in for processing like I  
01:46:28 5 would a regular check.

01:46:31 6 **Q** Is any individual able to take cash to a bank and get  
01:46:34 7 a cashier's check?

01:46:36 8 **A** As far as I know.

01:46:37 9 **Q** Have you ever done it?

01:46:38 10 **A** Yes.

01:46:39 11 **Q** Do you take cashier's checks?

01:46:41 12 **A** Yes.

01:46:42 13 **Q** Does the IRS, I mean.

01:46:44 14 **A** Of course.

01:46:45 15 And the receipt book has -- for people under 40, it's  
01:46:49 16 got a miraculous thing called carbon paper, and it makes  
01:46:53 17 copies of the image that you write on for the second and  
01:46:56 18 third copies. Because, you know, if the taxpayer makes a  
01:46:58 19 cash payment, we're definitely going to give them a receipt  
01:47:02 20 so he has a record of it.

01:47:04 21 **Q** At some point in November 2015, did you learn that  
01:47:09 22 Mr. Karasarides had hired a new power of attorney?

01:47:11 23 **A** Yes, I did.

01:47:13 24 **Q** At that point, did you stop all communications with  
01:47:17 25 Mr. DiPietro?

01:47:18 1 **A** At that point, Mr. DiPietro would be classified as  
01:47:23 2 the -- a third party, as anyone else would, that we could  
01:47:27 3 contact for information, but that he's no longer  
01:47:30 4 representing Mr. Karasarides.

01:47:34 5 **Q** Who was Mr. Karasarides' new power of attorney?

01:47:37 6 **A** It would have been a man, a tax attorney in Canton  
01:47:39 7 named Matthew Yackshaw.

01:47:42 8 **Q** Did Mr. Karasarides submit an offer in compromise?

01:47:45 9 **A** Yes.

01:47:46 10 MR. BEAN: Can we please pull up Exhibit 177?

01:47:55 11 BY MR. BEAN:

01:47:56 12 **Q** Sir, what is this?

01:47:57 13 **A** It is a Form 656, which is the exact -- it's the form  
01:48:03 14 that someone would use if they're proposing to settle their  
01:48:06 15 tax liability for less than the full amount, offer in  
01:48:10 16 compromise.

01:48:10 17 **Q** And is there a taxpayer's name listed on this  
01:48:13 18 document?

01:48:13 19 **A** Yes, sir.

01:48:13 20 **Q** Who?

01:48:14 21 **A** Christos Karasarides, Jr.

01:48:18 22 **Q** And is this document stamped as being received by the  
01:48:20 23 IRS?

01:48:20 24 **A** Yes.

01:48:21 25 **Q** On what date?

01:48:22 1 **A** July 14th, 2016.

01:48:25 2 MR. BEAN: And Carissa, could you please go to  
01:48:27 3 the next page?

01:48:28 4 And the next one.

01:48:29 5 And the next one.

01:48:30 6 The next one.

01:48:31 7 And the next one.

8 BY MR. BEAN:

01:48:33 9 **Q** Does this document appear to be signed by the  
01:48:35 10 taxpayer?

01:48:36 11 **A** Yes.

01:48:37 12 **Q** Does this document appear to be signed by the  
01:48:41 13 taxpayer's paid preparer?

01:48:44 14 **A** Yes.

01:48:44 15 **Q** And who is that paid preparer?

01:48:46 16 **A** Matthew Yackshaw.

01:48:47 17 MR. BEAN: All right. Can we please go back  
01:48:49 18 to the top?

19 BY MR. BEAN:

01:48:50 20 **Q** And I'm just going to ask you, could you kind of walk  
01:48:52 21 us through this document, please, what we're looking at and  
01:48:55 22 what's communicated on this document?

01:48:57 23 **A** Well, the taxpayer is communicating the years -- the  
01:49:04 24 tax years that they want to be settled, you know, that if we  
01:49:11 25 accept a certain amount, that those will drop out never to

01:49:14 1 be worked on again. But we need financial information and  
01:49:20 2 we need that form completed, along with a collection  
01:49:23 3 information statement to at least start the process to --  
01:49:27 4 for review.

01:49:29 5 **Q** Did Mr. Karasarides list the name of his spouse on  
01:49:32 6 this document?

01:49:35 7 **A** No.

01:49:36 8 **Q** What is -- what does it say there?

01:49:42 9 **A** It says "not applicable" because the wife is not  
01:49:45 10 liable; in other words, she was not liable for  
01:49:48 11 Mr. Karasarides' taxes.

01:49:49 12 **Q** Who determines who is liable for what taxes?

01:49:55 13 **A** Depends on the --

01:49:56 14 **Q** The taxpayer?

01:49:57 15 **A** Yeah, the filing status that's submitted on the tax  
01:50:00 16 return. You check the block whether you're single, married,  
01:50:02 17 married filing separate, head of household.

01:50:06 18 MR. BEAN: Carissa, can we please go to  
01:50:10 19 Page 2?

01:50:10 20 Is there -- do you see down at the bottom --

01:50:13 21 Can we blow up the bottom, please, section?

01:50:17 22 BY MR. BEAN:

01:50:18 23 **Q** Do you see this section, sir?

01:50:21 24 **A** Yes, sir.

01:50:22 25 **Q** What's -- what -- what does a taxpayer put in this

01:50:26 1 section?

01:50:27 2 **A** This section's called Explanation of Circumstances,  
01:50:30 3 and -- well, just above that it says "Doubt as to  
01:50:34 4 collectability," you know, I have insufficient assets and  
01:50:38 5 income to pay the full amount. And then below, it says  
01:50:42 6 "explanation of circumstances," in other words, what's the  
01:50:46 7 background on these tax liabilities.

01:50:48 8 It says, "During the years in which the tax  
01:50:52 9 liabilities were accrued, Christos Karasarides, Jr., the  
01:50:54 10 taxpayer, owned and operated a business which was extremely  
01:50:59 11 profitable which generated the tax liabilities in issue.  
01:51:02 12 The taxpayer failed to pay his taxes and accumulated an  
01:51:06 13 overwhelming tax bill in excess of \$2.5 million.

01:51:11 14 "Furthermore, the taxpayer was criminally prosecuted  
01:51:15 15 and jailed and spent a substantial period of time  
01:51:18 16 incarcerated. Since he paid his debt to society through his  
01:51:22 17 incarceration, and after he had been discharged from prison,  
01:51:26 18 he was able to secure. . ."

01:51:28 19 And then it goes on to the next page.

01:51:30 20 MR. BEAN: Carissa, can we go to the last  
01:51:31 21 page, please?

01:51:37 22 The last page, please.

01:51:42 23 Nope. One more, please.

01:51:46 24 And can you -- well, it's kind of the full page.

01:51:48 25 BY MR. BEAN:

01:51:49 1 Q Is this a continuation of that statement?

01:51:51 2 A It says, "Continuation of explanation of  
01:51:54 3 circumstances."

01:51:54 4 Q And can you just finish that paragraph, please.

01:51:57 5 A Sure.

01:51:58 6 ." . .he has a modest wage-earning job with Enterprise  
01:52:05 7 Internet Solutions, Incorporated. Unfortunately, the job  
01:52:07 8 only pays him enough money for him to meet his normal living  
01:52:12 9 expenses. It does not provide him with any additional money  
01:52:15 10 to pay the substantial federal tax liabilities which accrued  
01:52:18 11 against him while he was in business for himself.

01:52:21 12 "It is highly unlikely that the taxpayer will ever be  
01:52:24 13 able to make more money or accumulate any more assets other  
01:52:27 14 than what he has accumulated to date."

01:52:30 15 Q And Mr. Ross, I apologize, you've done a lot of  
01:52:33 16 reading. I'm going to ask you to do a little bit more.

01:52:35 17 Can you read the first sentence of the next paragraph?

01:52:37 18 A Yes.

01:52:38 19 It says, "In contrast to his pre-incarceration  
01:52:41 20 situation, the taxpayer has now been currently compliant in  
01:52:45 21 both his tax filings and payments for more than one year."

01:52:49 22 Q And then can you please read the first sentence of the  
01:52:52 23 next paragraph.

01:52:53 24 A Yes.

01:52:54 25 "In order to fund the offer in compromise, the

01:52:57 1 taxpayer will use all of his available cash and try to  
01:53:00 2 either sell or borrow against the equity in his real  
01:53:04 3 estate."

01:53:04 4 **Q** Thank you.

01:53:04 5 Were these statements, were those consistent with the  
01:53:08 6 representations that were made to you by Mr. Karasarides  
01:53:12 7 during the collections by his various representatives?

01:53:15 8 **A** No.

01:53:16 9 **Q** How is it inconsistent?

01:53:18 10 **A** Well, even with the offer in compromise that  
01:53:21 11 accompanied this -- I mean, this document, they're stating  
01:53:28 12 that the taxpayer had no equity in either pieces of the real  
01:53:34 13 estate, the one on Dunkeith where Mr. Karasarides resides or  
01:53:38 14 the property on Meese Road.

01:53:42 15 MR. BEAN: Carissa, can we please zoom out and  
01:53:46 16 go back to I think it's Page 3.

01:53:50 17 All right. Thank you.

01:53:51 18 BY MR. BEAN:

01:53:53 19 **Q** How much does Mr. Karasarides propose to pay?

01:53:57 20 **A** Total amount of offer is 72,254.

01:54:01 21 **Q** All right. And at this time, approximately how much  
01:54:03 22 did he owe?

01:54:05 23 **A** I think the offer said about 2.5 million.

01:54:09 24 **Q** All right. We can -- would you agree with me that's  
01:54:13 25 about -- an offer of about 3 percent?



01:54:16 1 **A** Don't make me do computations without a calculator.

01:54:20 2 **Q** All right.

01:54:20 3 **A** I trust your numbers.

01:54:22 4 MR. BEAN: Carissa, can we please go to the  
01:54:24 5 next page.

01:54:25 6 And can you blow up the top section?

01:54:30 7 BY MR. BEAN:

01:54:30 8 **Q** How did Mr. Karasarides say he was going to fund this  
01:54:33 9 offer?

01:54:33 10 **A** Oh, he's saying from -- the source of funds would be  
01:54:40 11 sale of one or more properties or borrowing against the  
01:54:43 12 equity of the inner city Canton properties.

01:54:47 13 MR. BEAN: All right. Carissa, can we zoom  
01:54:51 14 out and go to the second to the last page?

01:54:58 15 And this -- I'll note this is Page 6.

01:55:00 16 Can you just blow up the section where there's a  
01:55:02 17 signature -- the signature section?

01:55:10 18 BY MR. BEAN:

01:55:10 19 **Q** Sir, can you please read this bold section right here  
01:55:14 20 (indicating)?

01:55:14 21 **A** Yes. It's top of Page 6. It says, "Section 8. Under  
01:55:18 22 penalties of perjury, I declare that I have examined this  
01:55:21 23 offer, including accompanying schedules and statements, and  
01:55:24 24 to the best of my knowledge and belief it is true, correct,  
01:55:28 25 and complete."

01:55:31 1 MR. BEAN: Carissa, can we please pull up  
01:55:35 2 Exhibit 176?

01:55:37 3 BY MR. BEAN:

01:55:38 4 **Q** Mr. Ross, what is this?

01:55:41 5 **A** This is a Form 433-A (OIC). It's a collection  
01:55:48 6 information statement for wage earners or self-employed  
01:55:51 7 people when they're submitting an offer in compromise. This  
01:55:54 8 goes with the Form 656. It's an attachment.

01:55:58 9 **Q** And who is the taxpayer listed on this form?

01:56:03 10 **A** It's Christos Karasarides, Jr.

01:56:05 11 **Q** And is this form stamped as having been received by  
01:56:08 12 the IRS?

01:56:08 13 **A** Yes.

01:56:10 14 **Q** On?

01:56:11 15 **A** July 14th, 2016.

01:56:13 16 **Q** Thank you.

01:56:14 17 Sir, can you please walk us through this document and  
01:56:18 18 what we're seeing here, as you have done with some others?

01:56:22 19 **A** Well, it -- it's basically looking at a financial --  
01:56:28 20 total financial picture of someone who's trying to settle  
01:56:36 21 their tax debt for less than the full amount.

01:56:39 22 And then again, in Section 1 it starts with taxpayer's  
01:56:44 23 name, address, phone number, information about relatives.

01:56:50 24 Section 2 is employment information, if you work for  
01:56:55 25 wages.

01:56:56 1 Q So, who does he report as his employer?

01:57:02 2 A The -- the employer is Enterprise Internet Solutions,  
01:57:08 3 Incorporated.

01:57:08 4 Q And does he report any employment information  
01:57:11 5 regarding his wife?

01:57:14 6 A Yes.

01:57:15 7 Q What information?

01:57:17 8 A He indicates that his wife is self-employed at MJB  
01:57:21 9 Connection in Canton, Ohio.

01:57:23 10 Q And what's -- what's her -- does it list -- is she the  
01:57:27 11 owner of MJB Connection per this document?

01:57:31 12 A It says she is self-employed at MJB and she's a sole  
01:57:39 13 proprietor.

01:57:39 14 MR. BEAN: Can we -- we can zoom out.

01:57:41 15 And can we please go to the next page.

01:57:43 16 BY MR. BEAN:

01:57:43 17 Q What's reported on this -- this page of the document?

01:57:48 18 A Personal asset information.

01:57:50 19 At the top you have cash and investments. We're  
01:57:52 20 looking for -- if you have brokerage accounts, bank  
01:57:55 21 accounts, savings, certificates of deposits, things like  
01:57:58 22 that.

01:57:58 23 Q And how much cash on hand does he report?

01:58:01 24 MR. BEAN: And can we just blow up this  
01:58:02 25 section, please (indicating)?

01:58:08 1 THE WITNESS: He's listing \$70,000 as cash on  
01:58:11 2 hand.

01:58:11 3 BY MR. BEAN:

01:58:11 4 **Q** And on this -- on this whole page of the document,  
01:58:14 5 does he report any other asset information other than these  
01:58:20 6 two bank accounts and that \$70,000 cash on hand?

01:58:24 7 **A** I don't believe so, but I can't see the entire  
01:58:26 8 statement.

01:58:27 9 MR. BEAN: Can we zoom out, please?

01:58:31 10 THE WITNESS: On that page there are no other  
01:58:33 11 assets listed.

01:58:34 12 MR. BEAN: All right. Can we please go to the  
01:58:49 13 next page?

01:58:51 14 BY MR. BEAN:

01:58:52 15 **Q** And sir, what's reported on this page, which I'll note  
01:58:54 16 for the record is Page 3 of Exhibit 176?

01:58:59 17 **A** On Page 3, the top section is talking about what  
01:59:06 18 assets you have specifically on real estate.

01:59:10 19 **Q** What assets does he report on real estate?

01:59:15 20 **A** He's listing the -- the Canton rental property,  
01:59:23 21 Canton, Ohio, rental properties.

01:59:24 22 **Q** And what about any vehicles, does he list any of  
01:59:27 23 those?

01:59:27 24 **A** Yes.

01:59:29 25 **Q** What does he report?

01:59:31 1 **A** He list the Mercedes-Benz S Class 2012.

01:59:35 2 **Q** And does he report any other assets on this page?

01:59:39 3 **A** No, sir.

01:59:40 4 MR. BEAN: Can we please go to the next page?

02:00:50 5 Are we able to switch to the overhead?

02:00:53 6 MR. HOWELL: Steve's not here.

02:00:54 7 THE COURT: What did you want?

02:00:56 8 MR. BEAN: To switch the display to the ELMO.

02:01:00 9 THE COURT: Well, let's see if we can do that.

02:01:03 10 MR. BEAN: Thank you, Your Honor.

02:01:06 11 THE COURT: How's that?

02:01:07 12 MR. BEAN: Thank you.

02:01:14 13 I'll note for the record we're looking at Page 4 now

02:01:16 14 of Exhibit 176.

02:01:21 15 BY MR. BEAN:

02:01:22 16 **Q** Sir, are there assets reported on this page of the  
02:01:25 17 document?

02:01:26 18 **A** Yes. And continuing on the section for personal  
02:01:29 19 asset, Mr. Karasarides is listing a Rolex watch valued at  
02:01:35 20 \$7,500 and some silver and silver coin valued at \$4,935.

02:01:46 21 **Q** In the next section does he again list MJB Connection  
02:01:50 22 in relation to his wife?

02:01:51 23 **A** Yes.

02:01:52 24 **Q** Does he list that his wife has any other assets or  
02:01:56 25 associations with any other businesses?

02:02:04 1 **A** I don't see so.

02:02:06 2 **Q** And in the last section on this page, Section 5,  
02:02:10 3 what's the name of this section?

02:02:12 4 **A** Section 5 is Business Asset Information For  
02:02:17 5 Self-Employed Individuals.

02:02:17 6 **Q** And does he list any assets there?

02:02:22 7 **A** Yes, a business bank account.

02:02:25 8 **Q** And does he provide any details of --

02:02:27 9 **A** No, he says he doesn't know the account number nor the  
02:02:31 10 current balance.

02:02:32 11 **Q** During your collections case, were you aware of  
02:02:35 12 Mr. Karasarides having interest in bank accounts at Chase  
02:02:39 13 Bank or PNC Bank?

02:02:43 14 **A** I don't recall which bank that I knew about. I mean,  
02:02:46 15 I sent levies to several entities. I don't know if it was  
02:02:52 16 one of these or not.

02:02:53 17 **Q** When you say you sent levies to several entities, did  
02:02:57 18 those levies include banks?

02:02:58 19 **A** Yes.

02:03:01 20 It would be in the ICS history.

02:03:05 21 MR. BEAN: I note we're looking at Page 5 of  
02:03:06 22 this -- of Exhibit 176.

02:03:09 23 BY MR. BEAN:

02:03:09 24 **Q** And, sir, what -- what asset's listed here?

02:03:13 25 **A** Business equipment.

02:03:14 1 Q All right. Are there any other assets listed there?

02:03:17 2 A No.

02:03:18 3 Q All right. And does he list any other assets on this

02:03:22 4 page of the document?

02:03:24 5 A No.

02:03:33 6 Q On this document does he report what his monthly

02:03:42 7 household income is?

02:03:43 8 A Yes.

02:03:43 9 Q How much?

02:03:44 10 A Well, it's got net rental income of 1,116 and then

02:03:48 11 wages of 4,333.33, for a total of 5,655.33.

02:03:55 12 Q And I know you asked me not to do any math, but what

02:03:59 13 does that come out to across the year, if you don't mind?

02:04:04 14 A 12 times 5,000 --

02:04:07 15 Q A little over 60,000?

02:04:11 16 A Right. Right.

02:04:12 17 Q And does he also list expenses?

02:04:15 18 A Yes.

02:04:16 19 Q And does he list current monthly taxes on this?

02:04:24 20 A Yes.

02:04:25 21 Q So per this document, does he report to you that he's

02:04:29 22 paying some taxes?

02:04:30 23 A Yes.

02:04:30 24 Q Okay. Does he report any other assets on -- well, I

02:04:44 25 realize we're too zoomed in.

02:04:46 1 Any other assets on this page of the document?

02:04:49 2 **A** No, sir.

02:04:49 3 **Q** All right. Does he reference the criminal cases that  
02:04:57 4 Mr. DiPietro told you about?

02:04:58 5 **A** Yes, in Section 9.

02:05:00 6 **Q** All right.

02:05:02 7 MR. BEAN: Now I'll note we're on the eighth  
02:05:05 8 page of this exhibit.

02:05:06 9 BY MR. BEAN:

02:05:06 10 **Q** Does this appear that the taxpayer signed this  
02:05:08 11 document?

02:05:08 12 **A** Yes.

02:05:09 13 **Q** On what date?

02:05:11 14 **A** June 19th, 2016.

02:05:13 15 **Q** All right.

02:05:16 16 MR. BEAN: And I'll note this is Page 9 of the  
02:05:19 17 document and the last page.

02:05:20 18 BY MR. BEAN:

02:05:20 19 **Q** What's reported here?

02:05:23 20 **A** This is a supplemental page for personal asset  
02:05:28 21 information in real estate.

02:05:31 22 **Q** And does he report additional real estate on this  
02:05:34 23 page?

02:05:34 24 **A** Yes.

02:05:34 25 **Q** All right. And are any of these the -- his residence?



02:05:38 1 **A** Yes.

02:05:39 2 **Q** And what does he list as his interest in that  
02:05:44 3 residence?

02:05:54 4 **A** He lists that there's equity to consider for this  
02:06:03 5 property.

02:06:03 6 **Q** And did that match the work you had done?

02:06:05 7 **A** No, it did not.

02:06:05 8 **Q** Do you recall approximately how much equity you had  
02:06:09 9 determined or believed he had in the property around this  
02:06:11 10 time in July --

02:06:12 11 **A** Around this time, the value of the property was around  
02:06:16 12 \$450,000. And the last information that I had received from  
02:06:23 13 Theresa Jusseaume, the seller on the land contract, was that  
02:06:27 14 he owed 130,000 remaining. But just about two months after  
02:06:40 15 this was filed was when I received the fax from Richard  
02:06:44 16 Jusseaume showing that, you know, the total balance due was  
02:06:46 17 around, I don't know, 68, 69,000, well over under a hundred  
02:06:50 18 thousand. But I was going on the basis that it was still  
02:06:53 19 around 130,000 was owed, so. . .

02:06:56 20 **Q** Now, in anywhere in this document does Mr. Karasarides  
02:06:59 21 report that he has an ownership interest in or income from  
02:07:04 22 skilled games businesses?

02:07:05 23 **A** No, sir.

02:07:06 24 **Q** How about gambling businesses?

02:07:07 25 **A** No, sir.

02:07:08 1 Q How about a business called Skilled Shamrock?

02:07:10 2 A No, sir.

02:07:11 3 Q How about a business called Redemption?

02:07:13 4 A No, sir.

02:07:13 5 Q Okay. In the course -- as the revenue officer  
02:07:18 6 assigned to Mr. Karasarides' collection case, did you  
02:07:22 7 receive Mr. Karasarides' offer in compromise and his  
02:07:24 8 accompanying 433-A?

02:07:26 9 A It did not come to me directly.

02:07:30 10 Q But did it eventually make its way to you?

02:07:32 11 A It was submitted to our New York office -- our New  
02:07:39 12 York office that processes offers. They saw that the case  
02:07:41 13 was in field collection status, meaning a revenue officer  
02:07:44 14 was assigned to it, so they contacted me. And the normal  
02:07:53 15 procedure is for when an offer in compromise is received  
02:07:57 16 in -- at our campus, that the campus wants the revenue  
02:08:02 17 officer, namely the boots on the ground, input as to whether  
02:08:06 18 this offer is feasible, whether it's reasonable, or whether  
02:08:11 19 it's way off base.

02:08:16 20 Q When -- when a taxpayer submits an offer in  
02:08:21 21 compromise, are they required to make a down payment?

02:08:23 22 A Yes.

02:08:24 23 Q What's the amount of the down payment?

02:08:26 24 A 20 percent.

02:08:27 25 Q Of what?

02:08:28 1 **A** Of the amount being offered.

02:08:31 2 MR. BEAN: Your Honor, could we please switch  
02:08:33 3 back to the computer?

02:08:36 4 THE COURT: Well, is it the front or rear, do  
02:08:39 5 we know?

02:08:40 6 MR. BEAN: I don't -- I think probably the  
02:08:42 7 other one.

02:08:45 8 I think this one.

02:08:46 9 Carissa --

02:08:47 10 Thank you, Your Honor.

02:08:47 11 Could we please pull up Exhibit 223? Which the  
02:08:52 12 parties have stipulated is an authentic business record.

02:08:58 13 Sir, what is --

02:08:59 14 And can we blow up the check?

15 BY MR. BEAN:

02:09:04 16 **Q** Sir, what does this appear to be?

02:09:07 17 **A** It's a check, Number 200, drawn on Chase Bank on the  
02:09:13 18 account of Christopher Karasarides.

02:09:19 19 **Q** And can I direct your attention to the memo line,  
02:09:21 20 please, and ask you to read what's in the memo line?

02:09:23 21 **A** Yeah, the memo line is, "IRS OIC offer in compromise  
02:09:29 22 application fee for Christos Karasarides, Jr."

02:09:33 23 **Q** And is there a fee associated with filing an offer in  
02:09:36 24 compromise?

02:09:36 25 **A** Yes.

02:09:37 1 MR. BEAN: All right. Carissa, can we please  
02:09:38 2 go to the next Page 2 of the exhibit?

02:09:42 3 And can we blow up that one, please?

02:09:44 4 BY MR. BEAN:

02:09:45 5 Q Sir, I'm just going to ask you to do the same thing  
02:09:48 6 for this one.

02:09:50 7 A Yeah. It's check Number 201 drawn on the account of  
02:09:55 8 Christopher A. Karasarides, payable to the United States  
02:10:00 9 Treasury. The 20 percent down payment on the Internal  
02:10:03 10 Revenue offer in compromise. The amount is 14,451.

02:10:10 11 Q Thank you.

02:10:10 12 Was Mr. Karasarides' offer in compromise accepted?

02:10:13 13 A No, sir.

02:10:14 14 Q Was it returned?

02:10:15 15 A Yes.

02:10:15 16 MR. BEAN: Can we please pull up Exhibit 207?

02:10:20 17 And can we blow up the text portion? The whole text  
02:10:26 18 portion, from the. . .

02:10:30 19 Thank you.

02:10:36 20 BY MR. BEAN:

02:10:36 21 Q Sir, what is this?

02:10:38 22 A This is a letter from our Holtsville, New York, office  
02:10:44 23 that received the offer in compromise from Mr. Karasarides  
02:10:49 24 originally. And they're giving him a letter, a status  
02:10:52 25 update, a response to the offer that was filed.

02:10:54 1 Q And who -- who was this letter sent to?

02:10:58 2 A It was sent to Christos Karasarides, Jr.

02:11:01 3 Q And what's the date on this letter?

02:11:03 4 A August 5th, 2016.

02:11:05 5 Q And can you please read the first two paragraphs?

02:11:10 6 A It says, "Dear Mr. Karasarides:

02:11:12 7 "We have closed our file on your offer and are

02:11:16 8 returning your Form 656 offer in compromise for the

02:11:19 9 following reasons:

02:11:20 10 "We have determined that your offer was submitted

02:11:23 11 solely to hinder or delay our collection actions which are

02:11:26 12 expected to collect significantly more than the amount you

02:11:29 13 have offered."

02:11:31 14 Q Now, Mr. Ross, are you responsible for this letter

02:11:34 15 being sent to Mr. Karasarides?

02:11:35 16 A Yes, I am.

02:11:37 17 Q And is this a true and accurate representation of the

02:11:41 18 letter that was sent to Mr. Karasarides?

02:11:42 19 A Yes.

02:11:43 20 Q Why did you determine that the offer was submitted

02:11:47 21 solely to hinder or delay collection?

02:11:50 22 A In my review of the application, I felt that the

02:11:58 23 taxpayer's ability to pay these taxes is way more than the

02:12:03 24 amount being offered. It's not even -- not even close to

02:12:07 25 the 72,000 or whatever it was being offered.

02:12:12 1 Q So, is it fair to say that you did not believe that  
02:12:15 2 this was in any way realistic?

02:12:18 3 A That's correct.

02:12:19 4 Q To the extent --

02:12:20 5 A It was not realistic.

02:12:21 6 Q To the extent that it did not justify any additional  
02:12:24 7 consideration?

02:12:25 8 A Correct.

02:12:26 9 There was no consideration or listing of the equity in  
02:12:33 10 the two major real properties, namely the residence being  
02:12:36 11 purchased on land contract and the property on Meese Road.

02:12:40 12 Q Now, as a revenue officer assigned to the collections  
02:12:42 13 case, do you have the authority to make such a  
02:12:45 14 determination?

02:12:46 15 A Not unilaterally.

02:12:49 16 Q Who else is involved?

02:12:50 17 A I have to secure the approval of my group manager.

02:12:52 18 Q And did you do that here?

02:12:53 19 A Yes I did.

02:12:55 20 Q Now, did Mr. Yackshaw object to your determination?

02:12:59 21 A Vigorously.

02:13:00 22 Q What did he do?

02:13:02 23 A He -- he asked to speak to my manager and myself. I  
02:13:06 24 was also on the call, I believe, because I was most familiar  
02:13:10 25 with the case. I got to my manager, and I said, this offer

02:13:15 1 in compromise is filed in New York. And I believe, based on  
02:13:19 2 the information, the taxpayer has way more ability to pay  
02:13:23 3 these taxes than is being listed.

02:13:26 4 Now, I could have -- I could have told New York,  
02:13:30 5 without my manager's approval, oh, go ahead, process the  
02:13:34 6 offer and review it and see if it works, and that would get  
02:13:38 7 the case off of my desk. But I did not think it was  
02:13:40 8 appropriate in this case because I knew that Mr. Karasarides  
02:13:43 9 could pay way more than the amount being offered.

02:13:48 10 **Q** After the offer in compromise was returned, what was  
02:13:52 11 your plan of action for proceeding?

02:13:54 12 **A** I was putting pressure on Mr. Karasarides in  
02:13:58 13 relationship to the land contract, the house that was being  
02:14:04 14 purchased.

02:14:06 15 **Q** Did you summons any bank accounts associated with his  
02:14:09 16 son, Christopher?

02:14:11 17 **A** I believe so. I'm not sure.

02:14:13 18 **Q** Why -- why -- if you did do that, why would you do  
02:14:17 19 that?

02:14:17 20 MR. KERSEY: Objection.

02:14:19 21 THE COURT: Overruled.

02:14:22 22 THE WITNESS: I believe the information I had  
02:14:26 23 secured from the Jusseaumes regarding the payments on the  
02:14:34 24 land contract, I believe that's how I determined how  
02:14:38 25 payments were being made.

02:14:40 1 In addition, you mentioned a summons of Ms. Bragg,  
02:14:46 2 Mr. Karasarides' wife. That was done in -- the summons was  
02:14:50 3 issued in April of 2014 and. . . no. Maybe -- it was either  
02:15:03 4 2014 or 2015.

02:15:05 5 Anyhow, during the interview with Ms. Bragg, she  
02:15:09 6 indicated that funds were being sent to --

02:15:14 7 MR. GOLDBERG: Objection.

02:15:15 8 THE COURT: Overruled.

02:15:16 9 THE WITNESS: -- Christopher Karasarides Jr.  
02:15:20 10 to make the payments on the house.

02:15:24 11 MR. BEAN: Carissa, can we please pull up  
02:15:26 12 Exhibit 110?

02:15:30 13 And can we go to the next page?

02:15:32 14 BY MR. BEAN:

02:15:33 15 **Q** Is this Mr. Karasarides' 2015 account transcript?

02:15:36 16 **A** Yes.

02:15:37 17 MR. BEAN: And can we please go Page 3?

02:15:43 18 And can we blow that part up?

02:15:48 19 BY MR. BEAN:

02:15:48 20 **Q** Did Mr. Karasarides file a 2015 tax year tax return?

02:15:53 21 **A** Yes.

02:15:54 22 **Q** And when did that happen?

02:15:57 23 **A** February 29th, 2016.

02:16:01 24 MR. BEAN: And can we please go to  
02:16:04 25 Exhibit 111?



02:16:11 1 And the next page, please.

02:16:14 2 BY MR. BEAN:

02:16:15 3 **Q** Is this Mr. Karasarides' 2015 tax return?

02:16:17 4 **A** Yes.

02:16:18 5 MR. BEAN: And can we go to the next page? I  
02:16:21 6 think it's two pages, probably.

02:16:23 7 One more, please, Page 5.

02:16:26 8 Is there -- can you blow up the portion of the  
02:16:28 9 exhibit?

10 BY MR. BEAN:

02:16:30 11 **Q** Is there a paid preparer listed there?

02:16:33 12 **A** Yes.

02:16:34 13 **Q** Who is that?

02:16:36 14 **A** Ron DiPietro of Ron & Associates of Canton, Ohio.

02:16:39 15 **Q** Have you reviewed this tax return prior to your  
02:16:41 16 testimony?

02:16:42 17 **A** Yes.

02:16:42 18 **Q** And was this tax return filed while your collections  
02:16:46 19 case was ongoing?

02:16:47 20 **A** Yes.

02:16:49 21 **Q** Anywhere in this tax return, did Mr. Karasarides  
02:16:52 22 report an interest in or income from a business called  
02:16:55 23 Skilled Shamrock?

02:16:55 24 **A** No, sir.

02:16:56 25 **Q** Same question but for a business called Redemption?

02:16:58 1 **A** No, sir.

02:17:00 2 MR. BEAN: Can we please pull up Exhibit 112?

02:17:05 3 And go to the next page.

02:17:07 4 BY MR. BEAN:

02:17:07 5 **Q** Is this an account transcript for Mr. Karasarides for  
02:17:09 6 tax year 2016?

02:17:11 7 **A** Yes, sir.

02:17:12 8 MR. BEAN: And can we please go to Page 3?

02:17:15 9 And can we please blow that up?

02:17:18 10 BY MR. BEAN:

02:17:18 11 **Q** Does this show that Mr. Karasarides filed a 2016 tax  
02:17:23 12 return?

02:17:23 13 **A** Yes.

02:17:23 14 **Q** And when was that filed?

02:17:24 15 **A** April 17th of 2017.

02:17:27 16 **Q** Is that after the offer in compromise was submitted?

02:17:31 17 **A** Yes.

02:17:33 18 MR. BEAN: Can we please go to Exhibit 113?

02:17:41 19 BY MR. BEAN:

02:17:43 20 **Q** Is this Mr. Karasarides' 2016 tax return?

02:17:45 21 **A** Yes, sir.

02:17:45 22 **Q** What's his filing status on this return?

02:17:48 23 **A** It's listed as single, block number 1.

02:17:51 24 **Q** Now, the parties have stipulated that Mr. Karasarides  
02:17:54 25 and Melissa Bragg were married in May of 2014.

02:17:59 1 Can a taxpayer file single if they are, in fact,  
02:18:03 2 married?

02:18:03 3 **A** No. They're not supposed to.

02:18:05 4 **Q** Are there other filing statuses they can use if they  
02:18:09 5 want to file separately but they are married?

02:18:12 6 **A** Yeah, that would be block number 3, married filing  
02:18:15 7 separately, which is a higher tax rate than single.

02:18:19 8 MR. BEAN: And can we please go to Page -- I  
02:18:21 9 believe it's Page 4. It's one more page, it's Page 5. And  
02:18:30 10 can we blow that up.

02:18:30 11 BY MR. BEAN:

02:18:31 12 **Q** Who is the paid preparer listed on this return?

02:18:34 13 **A** Ron DiPietro of Ron & Associates, Canton, Ohio.

02:18:38 14 **Q** Now, have you had the opportunity to review this  
02:18:40 15 return prior to your testimony?

02:18:41 16 **A** Yes.

02:18:42 17 **Q** And is there anywhere on this return where  
02:18:45 18 Mr. Karasarides reports income from or an interest in a  
02:18:47 19 business called Skilled Shamrock?

02:18:48 20 **A** No, sir.

02:18:49 21 **Q** And the same question for a business called  
02:18:52 22 Redemption?

02:18:52 23 **A** No, sir.

02:18:54 24 **Q** During your collections case, if you had learned that  
02:18:57 25 Mr. Karasarides had income from or an ownership interest in

02:19:00 1 a business, what would you have done?

02:19:02 2 **A** Well, you consider that in his ability to pay and  
02:19:05 3 consider possible seizure of assets.

02:19:09 4 **Q** Now, earlier, sir, I asked you questions about why you  
02:19:13 5 referred the case for criminal further. And in your answer  
02:19:18 6 you referenced some -- some court documents you discovered  
02:19:23 7 that were filed by Mr. Karasarides.

02:19:26 8 Do you recall that?

02:19:26 9 **A** Yes, sir.

02:19:28 10 **Q** And you recount how your review of those court  
02:19:31 11 documents referenced that Mr. Karasarides had significant  
02:19:33 12 income, I think you might have even mentioned a million  
02:19:37 13 dollars, over a few weeks.

02:19:38 14 Do you recall that?

02:19:38 15 **A** Yes, sir.

02:19:39 16 **Q** Now --

02:19:40 17 MR. GOLDBERG: Objection.

02:19:40 18 THE COURT: Overruled.

02:19:42 19 BY MR. BEAN:

02:19:43 20 **Q** Do you know that those documents -- the statements in  
02:19:45 21 those documents to be true? Do you have firsthand knowledge  
02:19:47 22 of that?

02:19:48 23 **A** I don't have firsthand knowledge; I'm just going on  
02:19:51 24 what was in the file.

02:19:52 25 **Q** And did that impact the decisions you made regarding

02:19:55 1 how to proceed?

02:19:57 2 **A** Yeah, it shows he has much -- extensive income, way  
02:20:01 3 more than is being reported.

02:20:02 4 **Q** Well, that's how it impacted your decision looking at  
02:20:05 5 those documents?

02:20:06 6 **A** Yes.

02:20:06 7 **Q** All right.

02:20:07 8 MR. BEAN: Nothing further, Your Honor.

02:20:09 9 THE COURT: Okay. Mr. Fedor, do you want to  
02:20:12 10 go first or Mr. Goldberg?

02:20:14 11 MR. FEDOR: I think I'd like to go first,  
02:20:16 12 Judge.

02:20:16 13 THE COURT: Okay.

02:20:17 14 MR. FEDOR: Thank you.

02:20:40 15 Good afternoon, again, ladies and gentlemen.

16 - - - - -

17 CROSS-EXAMINATION OF DAVID ROSS

02:20:43 18 BY MR. FEDOR:

02:20:43 19 **Q** Good afternoon, Mr. Ross. Nice to see you.

02:20:46 20 **A** Good afternoon.

02:20:46 21 I'm sorry about this microphone. I don't know.

02:20:48 22 THE COURT: You're doing better than almost  
02:20:50 23 everybody.

02:20:52 24 MR. FEDOR: You are. You are.

02:20:56 25 BY MR. FEDOR:

02:20:57 1 Q So you're a revenue officer, correct, Mr. Ross?

02:20:59 2 A Yes, sir.

02:21:00 3 Q And you're not just a regular revenue officer, you're  
02:21:03 4 like a super revenue officer, are you not?

02:21:05 5 A Well, I'm not going to. . .

02:21:08 6 Q 40 years with the IRS?

02:21:10 7 A Well, I'm in the abusive tax avoidance transaction  
02:21:15 8 group.

02:21:16 9 Q Right. So you --

02:21:17 10 A So it's a unique group. We handle the most complex  
02:21:21 11 cases normally.

02:21:23 12 Q That's what I thought. You're not just an average  
02:21:25 13 collection agent.

02:21:28 14 And this case was assigned to you in February 2013;  
02:21:31 15 correct?

02:21:31 16 A Yes, sir.

02:21:35 17 Q And I think your ICS history reflects that, correct?

02:21:39 18 A Yes, sir.

02:21:40 19 Q If you could tell the jurors, just for a moment -- to  
02:21:44 20 me reviewing an ICS history is like the Bible of what  
02:21:47 21 happened in a case.

02:21:48 22 Can you reflect for the jurors exactly what that  
02:21:50 23 means? What's your ICS history?

02:21:52 24 A It's a record of actions and meetings and basically a  
02:21:58 25 written record of what happened in that case.

02:22:00 1 Q Is it a fair statement that every time you would touch  
02:22:04 2 Mr. Karasarides' case, it's reflected in that record?

02:22:09 3 A Not every time, I wouldn't think.

02:22:11 4 Q Okay. What wouldn't be reflected there?

02:22:13 5 A Well, I mean, I can get on the computer and check to  
02:22:15 6 see current balance due or something like that.

02:22:20 7 Q But certainly all contacts with either the taxpayer or  
02:22:23 8 his representative, that would be reflected there?

02:22:26 9 A Contacts should be represented in that history.

02:22:30 10 Q And I'm sure over the course of the last 41 years  
02:22:32 11 you've been really consistent and good with doing that?

02:22:35 12 A Try to.

02:22:37 13 Q Let's back up a second.

02:22:39 14 What's a power of attorney?

02:22:41 15 A Well, as I indicated before, it's where a taxpayer  
02:22:48 16 appoints a representative to represent them before the  
02:22:51 17 Internal Revenue Service.

02:22:53 18 Q Correct.

02:22:53 19 And who can be a power of attorney? What are the  
02:22:56 20 qualifications?

02:22:59 21 A On the back of the Page 2848, it can be an attorney,  
02:23:05 22 accountant, enrolled agent, an employee of a business, even  
02:23:09 23 possibly a relative.

02:23:12 24 Q And what's the function of that representative?

02:23:18 25 A That's who the IRS contacts in regard to this -- to a

02:23:24 1 case.

02:23:24 2 **Q** Correct.

02:23:24 3 And you're required, actually, by the Internal Revenue  
02:23:28 4 manual to contact that representative first; correct?

02:23:32 5 **A** Yes.

02:23:32 6 **Q** And you cannot go around that representative, or go  
02:23:34 7 past that representative, unless there's problems with the  
02:23:37 8 representative, he or she self; correct?

02:23:40 9 **A** Right.

02:23:40 10 **Q** And then you have to give certain notifications that  
02:23:43 11 you may do that as well?

02:23:44 12 **A** Yes.

02:23:46 13 **Q** Do you usually work with accountants or attorneys as  
02:23:50 14 representatives?

02:23:51 15 **A** Both.

02:23:52 16 **Q** Okay. Equal?

02:23:54 17 **A** I don't keep stats.

02:23:56 18 **Q** Okay. No experience with one or the either, or better  
02:23:59 19 experience with one or the other or. . .

02:24:02 20 **A** It varies. It varies.

02:24:05 21 Probably a lot more powers -- probably a lot more  
02:24:08 22 attorneys at this stage.

02:24:09 23 **Q** So the more complicated the case, typically you'd be  
02:24:12 24 working with an attorney. Is that a fair statement?

02:24:15 25 **A** Yes, sir.



02:24:18 1 MR. FEDOR: Carissa, can you help me again  
02:24:19 2 today?

02:24:20 3 MS. WELCH: Um-hmm.

02:24:20 4 MR. FEDOR: Thank you.

02:24:21 5 Government Exhibit 174.

02:24:25 6 BY MR. FEDOR:

02:24:25 7 **Q** And Mr. Ross, we've already spent some time on this  
02:24:28 8 document, Government Exhibit 174. This is the 433-F  
02:24:33 9 statement that you reviewed.

02:24:38 10 First name is Christos Karasarides, Jr., on it;  
02:24:42 11 correct?

02:24:42 12 **A** Yes, sir.

02:24:42 13 **Q** And what was the date you received this,  
02:24:44 14 approximately?

02:24:48 15 MR. FEDOR: Go to Page 2, I'm sorry, Carissa.

02:24:51 16 THE WITNESS: Have to look at the ICS history.

02:24:53 17 BY MR. FEDOR:

02:24:54 18 **Q** We'll get there.

02:24:55 19 What's the date on it, on Page 2?

02:24:56 20 **A** The signature date is June 15th, 2013.

02:25:00 21 **Q** And you believe that is Mr. Karasarides' signature?

02:25:03 22 **A** I believe so.

02:25:05 23 **Q** And what leads you to believe that?

02:25:07 24 **A** It's a taxpayer signature section.

02:25:12 25 **Q** Okay.

02:25:13 1 MR. FEDOR: If we could go back to Page 1.

02:25:17 2 BY MR. FEDOR:

02:25:17 3 Q Just walking through the document for a moment, if --  
02:25:24 4 if you see, enter the number of people in the household who  
02:25:27 5 can be claimed.

02:25:28 6 And then, if you or yourself are self-employed, and it  
02:25:32 7 says "see attached"; correct?

02:25:34 8 A Can you refer to the number or the section you're  
02:25:39 9 looking at?

02:25:40 10 Q It's the top section --

02:25:41 11 MR. FEDOR: Thank you, Carissa.

12 BY MR. FEDOR:

02:25:42 13 Q It says, "see attached"?

02:25:43 14 A Yes.

02:25:43 15 Q In the handwritten?

02:25:46 16 A Yes.

02:25:46 17 Q Do you know who filled this form out?

02:25:47 18 A No, I don't.

02:25:50 19 Q Going to Section A, Accounts, Lines of Credit, I  
02:25:55 20 believe that says "cash on hand"; correct?

02:25:59 21 A Yes.

02:25:59 22 Q And how much is listed there?

02:26:01 23 A \$20,000.

02:26:03 24 Q Correct.

02:26:05 25 And going to Section B under Real Estate, that's the

02:26:09 1 land contract issue; correct?

02:26:10 2 **A** Yes, sir.

02:26:12 3 **Q** And isn't it a fair statement that the land contract  
02:26:17 4 has been completely disclosed here?

02:26:21 5 Is there something missing from the disclosure on the  
02:26:22 6 land contract on this statement?

02:26:24 7 **A** Land contract is disclosed.

02:26:26 8 **Q** Correct.

02:26:26 9 And, in fact, it even discloses a hundred thousand  
02:26:30 10 dollars of equity in this asset, correct?

02:26:34 11 **A** There's no equity listed in this section.

02:26:38 12 **Q** No, it's blank. But we could take and surmise, I  
02:26:41 13 think, 41 years of experience, Mr. Ross, a \$370,000 asset  
02:26:45 14 with a balance owed of 270 leaves a hundred left; right?

02:26:50 15 **A** Well, there can be a different calculation on a land  
02:26:53 16 contract compared to if it were a regular mortgage, so. . .

02:26:57 17 **Q** So let's talk about that for a second before we get to  
02:26:59 18 the ICS history.

02:27:01 19 My understanding from your -- from your preparation,  
02:27:08 20 from your review of the documents, you had a lot of  
02:27:11 21 questions related to the land contract that you didn't  
02:27:15 22 understand yourself.

02:27:15 23 Is that accurate?

02:27:19 24 **A** Correct.

02:27:19 25 **Q** And who did reach you to for those questions?

02:27:21 1 **A** I reached out to several employees within the IRS, in  
02:27:22 2 addition to researching land contract issue in our internal  
02:27:26 3 manual.

02:27:26 4 **Q** Correct.

02:27:27 5 And I think you reached out to counsel, Anita Gill,  
02:27:31 6 correct?

02:27:32 7 **A** Yes, sir.

02:27:32 8 **Q** And how long did it take you to develop that land  
02:27:34 9 contract issue, to figure out if there actually was equity  
02:27:39 10 or there wasn't equity or you could seize it or not seize  
02:27:43 11 it? What was the period of time it took for you to develop  
02:27:45 12 that?

02:27:45 13 **A** I don't recall.

02:27:45 14 **Q** Okay. And we'll review that in the ICS history.

02:27:48 15 **A** Okay.

02:27:49 16 **Q** Okay. Had you in your 41 years, or maybe 31 years at  
02:27:53 17 that time of experience, had you seen a land contract issue  
02:27:55 18 like this prior?

02:28:00 19 **A** I can't recall. It's possible.

02:28:02 20 **Q** Okay. Had you ever seized equity in a land contract  
02:28:06 21 prior to this case?

02:28:07 22 **A** No, sir.

02:28:07 23 **Q** So you had many questions, is that a fair statement,  
02:28:11 24 on what to do with --

02:28:13 25 **A** I had some questions. I don't characterize how many.

02:28:16 1 I had some questions.

02:28:16 2 I was trying to research information with the IRS --  
02:28:21 3 other IRS employees that could give me assistance and  
02:28:25 4 guidance.

02:28:25 5 **Q** Including whether you could do anything with the asset  
02:28:28 6 or not; correct?

02:28:29 7 **A** Yes.

02:28:32 8 **Q** So is there anything listed in terms of the real  
02:28:36 9 estate and the land contract issue, is there anything  
02:28:38 10 missing on this statement that was submitted in 2013 that  
02:28:41 11 you would have liked to have known about at that time in  
02:28:43 12 terms of the land contract?

02:28:52 13 **A** Can you clarify what you're looking for?

02:28:54 14 **Q** Yeah. It appears to me that all the questions are  
02:28:56 15 asked in that box as it relates to Dunkeith and the land  
02:29:01 16 contract.

02:29:07 17 **A** Okay.

02:29:08 18 **Q** Pardon me?

02:29:09 19 **A** Yes.

02:29:12 20 **Q** Let's move on to Section C.

02:29:15 21 There's a Mercedes-Benz listed; correct?

02:29:18 22 **A** Correct.

02:29:18 23 **Q** And there's actually equity in a vehicle that's  
02:29:21 24 listed; correct?

02:29:22 25 **A** Correct.

02:29:22 1 Q And how much is that equity?

02:29:23 2 A It's listed at \$5,000.

02:29:26 3 Q Now, you see a lot of 433 statements and these  
02:29:30 4 collection information statements; correct?

02:29:31 5 A Correct.

02:29:31 6 Q How often do you see equity in a vehicle that's  
02:29:35 7 actually disclosed? Do you see that regularly?

02:29:39 8 A Again, I don't keep statistics, you know.

02:29:42 9 Q Do you have an estimate?

02:29:44 10 A No.

02:29:47 11 Q Okay.

02:29:48 12 MR. FEDOR: Carissa, if we could turn to  
02:29:50 13 Page 2, please, of the document.

02:29:52 14 Section G.

02:29:55 15 And if you could blow that up like you did nicely for  
02:29:57 16 Sam.

02:30:03 17 BY MR. FEDOR:

02:30:03 18 Q And I think you've already testified on direct that  
02:30:07 19 there's net self-employment income listed of \$20,000, and it  
02:30:11 20 looks like it's written in "before taxes"; correct?

02:30:13 21 A Correct.

02:30:14 22 Q And then over and above that, net rental income of a  
02:30:17 23 thousand dollars a month, once again, before taxes; correct?

02:30:19 24 A Correct.

02:30:20 25 Q Did you do an analysis of where this \$20,000 came from

02:30:24 1 when this document was submitted to you?

02:30:28 2 **A** Not an analysis. I was advised by Mr. DiPietro that  
02:30:32 3 the income was from gambling.

02:30:37 4 **Q** From gambling.

02:30:38 5 **A** Gambling.

02:30:38 6 **Q** Okay. Is that in your ICS history?

02:30:41 7 **A** I don't know what page.

02:30:43 8 **Q** Okay. We'll get there.

02:30:44 9 **A** Okay.

02:30:44 10 **Q** We'll get there. Thank you.

02:30:46 11 So, short of speaking with Mr. DiPietro, did you do  
02:30:50 12 any independent verification or investigation of what that  
02:30:53 13 20,000 a month was?

02:30:55 14 **A** I don't recall.

02:30:57 15 **Q** Okay. Turning to the necessary living expenses.

02:31:10 16 MR. FEDOR: Thank you, Carissa.

17 BY MR. FEDOR:

02:31:11 18 **Q** There is a other expense listed for \$10,000 a month in  
02:31:15 19 legal costs; correct?

02:31:19 20 Bottom right.

02:31:21 21 **A** Yes.

02:31:21 22 **Q** Okay. Do you know what that was for?

02:31:26 23 **A** Legal representation for attorney fees.

02:31:29 24 **Q** Correct.

02:31:29 25 Did you do any verification or investigation if that

02:31:32 1 was a legitimate number, a verified number, or he actually  
02:31:37 2 incurred it?

02:31:38 3 **A** No, I did not.

02:31:39 4 **Q** Okay. But at the time you are aware that he was going  
02:31:42 5 through some legal troubles of his own; correct?

02:31:44 6 **A** Yeah, there were multiple court cases and legal  
02:31:47 7 issues.

02:31:47 8 **Q** So it wouldn't surprise you if he was incurring  
02:31:50 9 \$10,000 a month in legal fees; correct?

02:31:52 10 **A** It's possible. I mean, he paid a hundred thousand  
02:31:54 11 dollars to a couple of attorneys.

02:31:56 12 **Q** Well, that wasn't my question.

02:31:58 13 **A** That I mentioned before.

02:32:01 14 **Q** Thank you.

02:32:02 15 MR. FEDOR: If we could turn to Page 3,  
02:32:04 16 Carissa.

02:32:10 17 BY MR. FEDOR:

02:32:11 18 **Q** This is the addition disclosure which was referenced  
02:32:13 19 on Page 1 as attached; correct?

02:32:15 20 **A** Correct.

02:32:15 21 **Q** And I'm not going to go through each listing.  
02:32:19 22 Obviously, we have the rentals that we discussed in Canton  
02:32:22 23 on the bottom of that.

02:32:23 24 Above that we have a number of different what's listed  
02:32:26 25 as investments; correct?



02:32:27 1 **A** Correct.

02:32:27 2 **Q** Did you do any investigation as to what each and every  
02:32:30 3 one of these are?

02:32:33 4 **A** I don't recall.

02:32:34 5 **Q** Okay. Would it be in your ICS history if you did?

02:32:41 6 **A** Should be.

02:32:42 7 **Q** Okay. Do you know if these entities are  
02:32:49 8 gambling-related entities?

02:32:50 9 **A** Well, it was represented to me by Mr. DiPietro that  
02:32:53 10 these gambling establishments that Mr. Karasarides had  
02:33:00 11 relied on for income were closed by the State of Ohio.

02:33:04 12 **Q** Well, but doesn't this document say something  
02:33:07 13 different, that they're 50 percent closed? Isn't that what  
02:33:11 14 it says?

02:33:12 15 **A** No. I took this to mean that the business is closed,  
02:33:16 16 but he has a 50 percent interest in the business, which is  
02:33:18 17 now closed.

02:33:20 18 **Q** Okay.

02:33:21 19 **A** I mean, they don't close half a business, you know,  
02:33:24 20 one side and the other.

02:33:25 21 **Q** Thank you, Mr. Ross.

02:33:28 22 MR. FEDOR: Let's turn to the next page,  
02:33:30 23 please, Carissa.

02:33:31 24 BY MR. FEDOR:

02:33:32 25 **Q** This is an additional disclosure; correct?

02:33:34 1 **A** Correct.

02:33:35 2 **Q** Was this also attached to the 433-F you received? Do  
02:33:40 3 you recall?

02:33:40 4 **A** I believe that was attached to the 433 that was  
02:33:43 5 received.

02:33:48 6 **Q** Okay. On the bottom it indicates that Secret Service  
02:33:50 7 is holding \$30,000 in silver, 30 in cash, and it's  
02:33:55 8 handwritten in, "Also holding brokerage accounts"; correct?

02:33:57 9 **A** Correct.

02:33:58 10 **Q** Do you know where the brokerage account was?

02:33:59 11 **A** I can't recall.

02:34:00 12 **Q** Did you investigate it?

02:34:01 13 **A** Can't recall.

02:34:03 14 **Q** Wasn't it a fact that Mr. DiPietro called you and told  
02:34:06 15 you that all of this was available to go to pay this  
02:34:09 16 liability?

02:34:09 17 **A** I attempted to secure the assets from the Secret  
02:34:15 18 Service. I made several contacts with Secret Service, and I  
02:34:18 19 was unsuccessful.

02:34:19 20 **Q** Well, we'll get to that.

02:34:20 21 But my question is, did Mr. DiPietro call you -- you  
02:34:24 22 didn't call him and ask for it, he called you and told you  
02:34:27 23 about it, right?

02:34:28 24 **A** About the Secret Service asset being held?

02:34:30 25 **Q** Yeah.

02:34:31 1 **A** I believe he did.

02:34:32 2 **Q** Thank you.

02:34:42 3 MR. FEDOR: Carissa, could we bring up  
02:34:44 4 Exhibit 200.

02:34:49 5 BY MR. FEDOR:

02:34:49 6 **Q** Okay. I'm going to go much further in-depth than  
02:34:53 7 Mr. Bean because let's get a full understanding of the  
02:34:56 8 history, what happened on this case, and all of your  
02:34:58 9 interaction between Mr. DiPietro and then, after  
02:34:59 10 Mr. DiPietro was terminated, Mr. Yackshaw was involved, so  
02:35:03 11 we're going to go through that.

02:35:04 12 So, the first entry, Page 1, is the date it was  
02:35:07 13 assigned to you; correct?

02:35:09 14 **A** Correct.

02:35:10 15 **Q** And that was February 23rd of 2013; correct?

02:35:13 16 **A** Correct.

02:35:14 17 **Q** And who assigned the case to you?

02:35:20 18 **A** Could have been my group manager. Could have been  
02:35:23 19 systemic assignment. I don't know.

02:35:25 20 **Q** Okay. Was that Mr. Yurick at the time, Greg Yurick?

02:35:30 21 **A** I believe so.

02:35:31 22 **Q** Okay. Turning to Page 3 --

02:35:33 23 MR. FEDOR: Thank you, Carissa, for all your  
02:35:34 24 help.

02:35:34 25 BY MR. FEDOR:

02:35:34 1 Q Towards the bottom of that, on April 12th of 2013, it  
02:35:41 2 says a resolution plan was discussed; correct?

02:35:46 3 A Correct.

02:35:47 4 Q Can you repeat that?

02:35:48 5 A Correct.

02:35:49 6 Q Your mic's going out again. Sorry.

02:35:52 7 A Sorry.

02:35:52 8 Q That was correct?

02:35:53 9 A Correct.

02:35:55 10 Q And then the following page, Page 4 as we turn to it,  
02:36:00 11 is essentially your summary of your initial findings.

02:36:03 12 Is that accurate?

02:36:10 13 A It's a summary of my initial contact with  
02:36:12 14 Mr. DiPietro.

02:36:12 15 Q Exactly. That's my question.

02:36:13 16 A Okay. All right.

02:36:14 17 Q So when a case is assigned to you and there's a  
02:36:17 18 representative involved, what's the first thing you do?

02:36:23 19 A Well, we'd contact the representative.

02:36:25 20 Q Correct.

02:36:26 21 And what do you ask that rep for?

02:36:29 22 A Financial information for the taxpayer.

02:36:32 23 Q Correct.

02:36:32 24 So, just reading through here, on April 12th, which is  
02:36:37 25 the date of initial contact, you gave Mr. DiPietro as a

02:36:41 1 power of attorney holder at the time a deadline of June 1st  
02:36:44 2 of 2013, correct, to provide a number of documents?

02:36:47 3 **A** Yes.

02:36:48 4 **Q** And it actually states, "Requested a 433," and it  
02:36:53 5 says, "The POA, Mr. DiPietro, is working on it"; correct?

02:36:58 6 **A** Correct.

02:36:58 7 **Q** You identified certain levy sources?

02:37:00 8 **A** Correct.

02:37:01 9 **Q** Correct.

02:37:01 10 And one being Elite Entertainment. And then you  
02:37:05 11 identify some of the business associates for  
02:37:07 12 Mr. Karasarides; correct?

02:37:08 13 **A** Correct.

02:37:10 14 **Q** And if the case was assigned to you in February and  
02:37:14 15 you make an initial contact in April, why are you already  
02:37:18 16 determining levy sources?

02:37:20 17 **A** That's part of our initial analysis, part of our  
02:37:24 18 review of the case.

02:37:24 19 **Q** Okay. Which -- and correct me if I'm wrong -- if a  
02:37:30 20 taxpayer is not complying with your request, you can fall  
02:37:31 21 back on that and actually issue levies; right?

02:37:34 22 **A** We have pre-levy notification requirements. So at  
02:37:39 23 this point in time, I don't believe that the required levy  
02:37:48 24 notices had been issued, the Letter 1058 on those oldest  
02:37:52 25 periods. I know subsequent in 2014 we did issue a 1058,

02:37:57 1 final notice.

02:37:57 2 **Q** And can you explain to the jurors what that actually  
02:37:59 3 means in layman's terms?

02:38:01 4 **A** Please be specific.

02:38:03 5 **Q** A Letter 1058 and the rights that a taxpayer has and  
02:38:07 6 what you have to inform a taxpayer before you can take  
02:38:10 7 action.

02:38:10 8 **A** Yeah. Before we can levy or issue levy or seizure, we  
02:38:18 9 have to issue a notice -- a final notice, a Letter 1058,  
02:38:21 10 which Mr. Bean had me read sections of. In other words, if  
02:38:26 11 we don't hear from you by a certain day within 30 days, we  
02:38:29 12 may take action.

02:38:31 13 **Q** So you're looking for the taxpayer's cooperation.

02:38:33 14 Is that accurate?

02:38:34 15 **A** That would be ideal.

02:38:44 16 **Q** And, in fact, the next entry on Page 5 at the top, the  
02:38:48 17 POA, Mr. DiPietro, he acknowledged his recent legal troubles  
02:38:54 18 but says the taxpayer's goal is to get an installment  
02:38:57 19 agreement on these liabilities; correct?

02:38:58 20 **A** Correct.

02:38:58 21 **Q** He's trying to resolve it. Isn't that what that  
02:39:02 22 statement means?

02:39:02 23 **A** That was the representation made by Mr. DiPietro.

02:39:05 24 **Q** Correct.

02:39:06 25 And I'm sure each and every case that's assigned to

02:39:09 1 you, when you have a representative, we want to get it  
02:39:11 2 resolved; right?

02:39:12 3 **A** That's the goal.

02:39:13 4 **Q** And get you paid?

02:39:14 5 **A** That's the goal.

02:39:15 6 **Q** Get you out of our lives?

02:39:17 7 **A** Yes.

02:39:21 8 **Q** It also indicated, the last closing part of that, the  
02:39:24 9 next line, you asked for the 433 statement. You ask for  
02:39:29 10 bank statements. The -- Mr. DiPietro advised that  
02:39:34 11 Mr. Karasarides is a professional gambler, and you provide  
02:39:39 12 dates. Okay?

02:39:42 13 MR. FEDOR: If we could skip then to Page 6.

02:39:45 14 BY MR. FEDOR:

02:39:46 15 **Q** Your action date of April 16th of 2013?

02:39:52 16 **A** Correct.

02:39:53 17 **Q** Okay. And you state that in order to determine  
02:39:56 18 appropriate resolution of the case, we need to calculate and  
02:39:59 19 verify his ability to pay; right?

02:40:01 20 **A** Yes.

02:40:05 21 **Q** You want the taxpayer to remain current, correct?

02:40:08 22 **A** Correct.

02:40:09 23 **Q** And what does that mean, for the jurors?

02:40:10 24 **A** Remain current means to file future tax returns on  
02:40:17 25 time and pay the taxes due; in other words, get the bleeding

02:40:20 1 stopped.

02:40:21 2 Q Exactly. Exactly.

02:40:23 3 And then below that it states you -- 433 completed on  
02:40:29 4 6-1 of 2013; right?

02:40:31 5 A That's what we requested, yes.

02:40:33 6 Q Correct.

02:40:34 7 And then you asked for an interview as well; correct?

02:40:36 8 A Correct.

02:40:40 9 MR. FEDOR: Let's turn to Page 7 for a moment.

02:40:45 10 BY MR. FEDOR:

02:40:46 11 Q May 22nd of 2013, conference call with Mr. DiPietro as  
02:40:52 12 a representative, said he's working on the documents;  
02:40:55 13 correct?

02:40:57 14 He was going to be out of the country, and he wanted a  
02:40:59 15 couple weeks' extra time to get everything together --

02:41:02 16 A Right.

02:41:02 17 Q -- to cooperate with you; correct?

02:41:04 18 A Correct.

02:41:05 19 Q And then a month later there's another contact;  
02:41:09 20 correct? June 24th of --

02:41:12 21 A June 24th.

02:41:14 22 Q -- at the bottom of the page?

02:41:16 23 A Yes.

02:41:16 24 Q Correct.

02:41:17 25 And then Mr. DiPietro called you; correct?



02:41:22 1 **A** Yes. It says, "phone call from power of attorney,"  
02:41:26 2 yes.

02:41:28 3 **Q** And it says he has information you requested. He's  
02:41:32 4 trying to cooperate with you. He said, "let me get it over  
02:41:42 5 to you," correct?

02:41:42 6 **A** Yeah, he says he has the information, and I told him  
02:41:45 7 to mail it to me.

02:41:46 8 **Q** Correct.

02:41:47 9 And then if you could read -- read for the jurors the  
02:41:49 10 next paragraph. "TP has pending."

02:41:54 11 **A** "Taxpayer has pending possible forfeitures based on  
02:41:57 12 criminal cases currently open. There's significant amounts  
02:42:00 13 of money involved. A note, a half million approximately.  
02:42:08 14 Power of attorney and taxpayer want this money to go to the  
02:42:10 15 IRS. Advised them to provide info on this. Possibly we  
02:42:13 16 could do a jeopardy levy to the government authorities."

02:42:17 17 **Q** And so Mr. DiPietro called you and said, hey, we have  
02:42:21 18 a half million dollars here, give or take, we want to give  
02:42:24 19 it to you; correct?

02:42:24 20 **A** Correct.

02:42:25 21 **Q** That the government is holding it, and we want to pay  
02:42:27 22 down these liabilities; correct?

02:42:29 23 **A** Correct.

02:42:30 24 **Q** What -- how more could he have cooperated in  
02:42:33 25 disclosing that information, providing that to you, at that

02:42:37 1 time? He's given you the source of the proceeds, right?

02:42:40 2 Half million dollars. Lot a money.

02:42:42 3 **A** Again, I was frustrated that I couldn't get it from  
02:42:44 4 the Secret Service.

02:42:45 5 **Q** Well, let's talk about that for a second. I'm glad  
02:42:47 6 you brought that up.

02:42:48 7 How long were your discussions with the Secret Service  
02:42:50 8 about getting this money to go towards Mr. Karasarides'  
02:42:53 9 account? How long did those discussions go on?

02:42:56 10 **A** I don't know.

02:42:57 11 **Q** Your ICS history reflects it was about a year that you  
02:43:01 12 tried, with the cooperation of Mr. DiPietro and  
02:43:05 13 Mr. Karasarides, to get that money applied to his tax  
02:43:08 14 problems, and the IRS couldn't get it done; correct?

02:43:11 15 **A** We were unsuccessful in getting those assets from the  
02:43:15 16 Secret Service.

02:43:15 17 **Q** Right. So let's start -- let's take a couple steps  
02:43:18 18 back.

02:43:18 19 Why was the Secret Service involved with that to begin  
02:43:21 20 with? What's their function in this scheme?

02:43:26 21 **A** They were involved in another -- in a criminal case on  
02:43:31 22 Mr. Karasarides is my understanding.

02:43:31 23 **Q** Right. And were they holding funds? That brokerage  
02:43:35 24 account, for instance, were they holding that?

02:43:39 25 **A** According to Mr. DiPietro they were.

02:43:41 1 Q Okay. And I believe you testified previously it was  
02:43:46 2 Mr. Hender- --

02:43:47 3 A Henderhan.

02:43:48 4 Q Henderhan.

02:43:49 5 Was he with the Secret Service?

02:43:50 6 A Yes, sir.

02:43:51 7 Q How many times did you speak with Mr. Henderhan about  
02:43:54 8 having those proceeds, as you used the term, seized,  
02:43:57 9 applied, levied, call it whatever you want?

02:43:59 10 A I don't recall how many times I spoke with him.

02:44:01 11 Q Okay. And we'll get into that.

02:44:04 12 But you were unsuccessful at the end of the day;  
02:44:06 13 correct?

02:44:06 14 A Yes.

02:44:07 15 Q Did you ever receive a reason as to why they didn't do  
02:44:10 16 it?

02:44:11 17 A I can't recall.

02:44:12 18 Q And I don't recall ever seeing one either.

02:44:15 19 But eventually it went away and you never got paid;  
02:44:18 20 correct?

02:44:19 21 A Right.

02:44:19 22 Q That wasn't Mr. DiPietro's fault; he gave you the  
02:44:22 23 information to go get it. Right?

02:44:24 24 A He did provide that information about the Secret  
02:44:27 25 Service.

02:44:27 1 Q Correct.

02:44:27 2 And you didn't call him; he called you to tell you  
02:44:30 3 about it. That's what your notes say.

02:44:34 4 A Yes, he did call me.

02:44:36 5 Q Correct. Thank you.

02:44:52 6 MR. FEDOR: Just the top of Page 8 as well,  
02:44:55 7 Carissa.

02:44:56 8 BY MR. FEDOR:

02:44:56 9 Q Just as a tangential issue as well, that first line  
02:45:02 10 states, on Page 8, of your history in your records, he --  
02:45:06 11 Mr. DiPietro says, "Mr. Karasarides has another issue. The  
02:45:10 12 taxpayer is quit-claiming real property." He was trying to  
02:45:13 13 get it resolved.

02:45:14 14 Was Mr. DiPietro seeking out your help on the land  
02:45:16 15 contract issue so he could convey clear title or clean that  
02:45:20 16 issue up?

02:45:24 17 A This entry, I believe, was related to the property on  
02:45:27 18 Meese Road, not the Dunkeith property.

02:45:29 19 Q Right. Which was the withdrawal of the lien issue  
02:45:32 20 that you referenced in your direct; correct?

02:45:34 21 A Right.

02:45:34 22 Q Correct.

02:45:35 23 But he was seeking out your help; correct? How do I  
02:45:38 24 get this done? How do I clear up a lien so that we can  
02:45:41 25 convey a piece of property?

02:45:42 1 **A** On the Meese Road property?

02:45:43 2 **Q** Right.

02:45:44 3 **A** Yes.

02:45:44 4 **Q** But he's seeking out your help to do this; correct?

02:45:47 5 **A** Yes.

02:45:49 6 **Q** Thank you.

02:45:50 7 **A** But he's hurting his client while he's doing that.

02:45:57 8 **Q** It's all about trying to get the service paid.

02:46:04 9 MR. FEDOR: If we could go to the -- the next  
02:46:05 10 entry dated July 9th of 2013. The issue is a forfeiture to  
02:46:13 11 the Secret Service.

02:46:13 12 BY MR. FEDOR:

02:46:14 13 **Q** And what happened there, sir, on that date?

02:46:17 14 **A** My notes say I had previously called the forfeiture  
02:46:21 15 division of Secret Service and left voicemail. Had contact  
02:46:26 16 with a Darlene Parker. She said in some cases, assets are  
02:46:31 17 released back to the IRS. She did not recognize the  
02:46:34 18 taxpayer name. You know, they'd need a forfeiture number,  
02:46:38 19 et cetera.

02:46:43 20 **Q** You discuss with counsel as well, correct, Anita Gill?

02:46:46 21 **A** Right.

02:46:46 22 **Q** Because you weren't sure what to do with the land  
02:46:49 23 contract because you were trying to get guidance on it;  
02:46:52 24 correct?

02:46:52 25 **A** Well, in this case, since we had not issued the

02:46:55 1 pre-notification before levies, it would have to be special  
02:46:59 2 approval, called a jeopardy levy, meaning --

02:47:02 3 **Q** Correct.

02:47:03 4 Well, why don't you explain that to the jurors. What  
02:47:05 5 is a jeopardy levy?

02:47:07 6 **A** Well, you know, the normal notification is we issue  
02:47:15 7 the Letter 1058, which gives the taxpayer 30 days to  
02:47:18 8 respond, either pay the liability or file an appeal or make  
02:47:21 9 arrangements to pay acceptable to the Service.

02:47:26 10 Jeopardy levy is basically short-cutting that process.  
02:47:31 11 In other words, we take the levy action, and then the  
02:47:34 12 taxpayer may appeal after the action is taken.

02:47:36 13 **Q** Correct.

02:47:36 14 But in this case, it's a cooperative levy essentially;  
02:47:39 15 they're saying go get it. Right?

02:47:41 16 **A** Yes.

02:47:42 17 **Q** Right.

02:47:43 18 So it -- I would always compare this -- it would be  
02:47:46 19 akin to a retirement plan. If someone didn't want to pull  
02:47:49 20 money out of their 401(k) plan or 403(b) plan or any  
02:47:55 21 qualified money, they could potentially avoid the 10 percent  
02:47:58 22 penalty pulling it out because you can go levy it and pay  
02:48:01 23 it?

02:48:01 24 **A** Yes.

02:48:01 25 **Q** Similar situation.

02:48:02 1 So it's very similar to that where, hey, we want to  
02:48:05 2 pay you but we don't know how, can you go get it for us.

02:48:14 3 And the next entry is dated July 9th of 2013?

02:48:21 4 **A** Yes.

02:48:22 5 **Q** "Per the 433 and the attachments, the amount taken by  
02:48:24 6 the Secret Service is X, Y, and Z. And there's an unknown  
02:48:28 7 amount in the brokerage accounts. These are items we'd be  
02:48:30 8 seeking from the Secret Service."

02:48:32 9 Correct?

02:48:32 10 **A** Correct.

02:48:32 11 **Q** And I notice on the last entry you called Darlene  
02:48:35 12 Parker who you testified about, with a Washington, D.C.,  
02:48:39 13 number; correct?

02:48:39 14 **A** Correct.

02:48:40 15 **Q** Was the Secret Service on this case based in the  
02:48:44 16 Northern District of Ohio?

02:48:47 17 **A** Yes.

02:48:49 18 **Q** Was it --

02:48:49 19 **A** As far as I know.

02:48:50 20 **Q** Was it in Cleveland or Akron?

02:48:52 21 **A** Well, Larry Henderhan was in the Independence office  
02:48:56 22 of the Secret Service.

02:48:57 23 **Q** Did you have any meetings directly with him?

02:48:59 24 **A** Yes, I did.

02:49:00 25 **Q** Face to face?

02:49:01 1 **A** Yes.

02:49:01 2 **Q** Okay. In the Independence office?

02:49:03 3 **A** In his office in Independence, right.

02:49:05 4 **Q** Okay. And did you -- I'll ask again.

02:49:08 5 Did you ever receive an explanation as to why those  
02:49:10 6 funds weren't turned over?

02:49:11 7 **A** I don't recall.

02:49:14 8 **Q** Okay.

02:49:15 9 **A** I was being referred to the forfeiture division, you  
02:49:19 10 know. My understanding is Mr. Henderhan was like a case  
02:49:23 11 agent for Secret Service, similar to, you know, IRS special  
02:49:28 12 agents.

02:49:29 13 **Q** And how --

02:49:30 14 **A** And he wouldn't have -- you know, he wouldn't be  
02:49:32 15 involved or in charge of releasing those assets or not.

02:49:36 16 **Q** So he had to go back and reach out to somebody else?

02:49:38 17 **A** Or he gave me information, and I was trying to track  
02:49:41 18 down who I had to contact to try and get those assets.

02:49:45 19 **Q** I understand why you'd be really frustrated at this  
02:49:47 20 point.

02:49:47 21 **A** I was.

02:49:48 22 **Q** I mean, do you recall how many times you reached out  
02:49:51 23 to Henderhan?

02:49:53 24 **A** I don't recall.

02:49:57 25 But again, the contact information I was given was



02:50:01 1 this person in Washington, D.C., so. . .

02:50:04 2 Q Correct. And so --

02:50:06 3 A He had no direct authority, I think. You know, he  
02:50:09 4 can't go in his cabinet and say, okay, here's the stuff. I  
02:50:12 5 mean, you had to go through all these procedures, you know.

02:50:15 6 Q One would think, though, that Henderhan, with the  
02:50:17 7 federal government, with the Secret Service, could have  
02:50:19 8 called the appropriate person and said, hey, Service is  
02:50:22 9 asking for this, the IRS wants this, we can get it done,  
02:50:25 10 everybody is in agreement. Right?

02:50:28 11 A I would like to have seized those assets.

02:50:31 12 Q Well, and I believe, based upon prior testimony,  
02:50:35 13 Mr. Karasarides and Mr. DiPietro would have liked to have  
02:50:39 14 seen you seize those assets?

02:50:40 15 A Yes.

02:50:41 16 Q Right? Not a problem.

02:50:42 17 So this all started in June of 2013. So we have  
02:50:50 18 another -- bottom of Page 8, August 23rd of 2013, follow-up  
02:50:54 19 with the Secret Service.

02:50:56 20 They're open to releasing the money; right?

02:50:59 21 A Yes.

02:51:01 22 Q Can you repeat that in the microphone?

02:51:03 23 A Yes. Yes.

02:51:05 24 Q Thank you.

02:51:09 25 MR. FEDOR: And if we can turn to Page 9,

02:51:12 1 Carissa, at the top.

2 BY MR. FEDOR:

02:51:13 3 **Q** The action date of September 13th of 2013; correct?

02:51:16 4 **A** Correct.

02:51:21 5 **Q** Mr. DiPietro tried to settle with you; correct?

02:51:24 6 **A** He inquired about some type of settlement on this  
02:51:28 7 case.

02:51:28 8 **Q** Do you remember what he inquired about?

02:51:31 9 **A** I know he -- he had used the term "fresh start" on  
02:51:36 10 more than one occasion, and he also used the term. . . well,  
02:51:42 11 "settlement," and I -- you know, I explained to him the  
02:51:45 12 offer in compromise procedure.

02:51:47 13 **Q** Well, let's talk about "fresh start" first.

02:51:49 14 That's a term of art; correct?

02:51:52 15 **A** Well, it's a special program by the Internal Revenue  
02:51:56 16 Service.

02:51:56 17 **Q** And if you could tell the jurors, I think, while it  
02:51:59 18 was in existence, Fresh Start, what it actually meant to a  
02:52:02 19 taxpayer?

02:52:03 20 **A** Well, at that time, it was giving certain taxpayers  
02:52:07 21 that qualified a little more relaxed requirements for an  
02:52:13 22 installment agreement or an offer in compromise.

02:52:16 23 You know, the issue in this case was Fresh Start at  
02:52:20 24 the time was only limited or available to taxpayers owing --  
02:52:25 25 with a total tax liability of \$50,000 or less.

02:52:28 1 Q Um-hmm.

02:52:29 2 A So that definitely would not have qualified in the  
02:52:31 3 Karasarides case.

02:52:32 4 Q Well, but -- go ahead.

02:52:33 5 A But you can still file an offer in compromise,  
02:52:38 6 that's --

02:52:38 7 Q Right.

02:52:38 8 But had that \$500,000 been applied, give or take, that  
02:52:42 9 might have made a big different; right?

02:52:44 10 A It would still be over the limit for qualifying for a  
02:52:48 11 fresh start.

02:52:48 12 Q Okay. So in that second paragraph, says you advised,  
02:52:57 13 "I'm attempting Secret Service to allow us to seize assets";  
02:53:00 14 correct?

02:53:02 15 A Which paragraph are you looking at?

02:53:04 16 Q The next one after, the 9-13-entry, second paragraph,  
02:53:08 17 regarding assets.

02:53:08 18 A "Power of attorney said the taxpayer has some rental  
02:53:11 19 properties in bad areas of Canton --"

02:53:13 20 Q Correct.

02:53:13 21 A "-- that could be seized and sold."

02:53:15 22 Q Correct.

02:53:16 23 A "Probably \$20,000 in equity, total equity, he says."

02:53:20 24 Q And then you indicate that his request for a lien  
02:53:22 25 withdrawal was not going to be approved as well; right?

02:53:25 1 **A** Right.

02:53:25 2 **Q** And that was related to the Meese Road property  
02:53:28 3 because in your opinion it was the wrong form; correct?

02:53:31 4 **A** Correct.

02:53:32 5 **Q** And he should have filed for what's called a  
02:53:34 6 discharge, not a lien withdrawal?

02:53:35 7 **A** Yeah, I recommended him file a discharge --  
02:53:38 8 application for discharge.

02:53:42 9 **Q** But you told him that. You said, here's the form you  
02:53:45 10 file, and perhaps Mr. DiPietro didn't understand which form  
02:53:48 11 to file.

02:53:48 12 That happens; right?

02:53:49 13 **A** Sure.

02:53:52 14 **Q** We all get the forms wrong sometimes; right?

02:53:55 15 **A** Right. Right.

02:54:03 16 MR. FEDOR: Turning to Page 10, action date of  
02:54:06 17 October 25th of 2013.

18 BY MR. FEDOR:

02:54:08 19 **Q** "Based on the newspaper article recently, State of  
02:54:11 20 Ohio shut down internet gambling"; correct?

02:54:13 21 **A** Correct.

02:54:14 22 **Q** And you enter -- this is your unilateral entry;  
02:54:18 23 correct? Nobody provided this to you?

02:54:19 24 **A** Correct.

02:54:20 25 **Q** Okay. It says, which is where the taxpayer made large

02:54:25 1 amounts of income. All that was shut down. Correct?

02:54:32 2 **A** Yeah. "State of Ohio shut down the internet gambling  
02:54:36 3 establishments, which is where taxpayer made large amounts  
02:54:39 4 of income."

02:54:39 5 **Q** Right.

02:54:40 6 And nobody provided you that information. You got  
02:54:43 7 that yourself and you entered that into your activity  
02:54:45 8 record; correct?

02:54:45 9 **A** I must have researched Google on that.

02:54:48 10 **Q** I don't know.

02:54:49 11 **A** Found it in a newspaper article.

02:54:51 12 **Q** And then you have as a -- the next line under, of  
02:54:55 13 course, next action date, "contact Secret Service again";  
02:54:58 14 right?

02:54:58 15 **A** Yes.

02:54:58 16 **Q** So when you were contacting the Secret Service, did  
02:55:02 17 you call them up? Did you e-mail them? Did you walk over  
02:55:05 18 to the other office where Henderhan was? What did you do?

02:55:07 19 **A** Telephone calls.

02:55:08 20 **Q** Okay. Did you get someone live usually on the other  
02:55:11 21 end or was it like calling the IRS?

02:55:14 22 **A** I don't -- I don't recall. I did speak with that  
02:55:17 23 Darlene Parker though, my history entry indicates.

02:55:22 24 **Q** Did you e-mail with the Secret Service at all?

02:55:26 25 **A** I don't recall e-mailing them. I don't -- I don't --

02:55:30 1 I don't remember.

02:55:33 2 Again, it was very frustrating.

02:55:36 3 **Q** We have another entry, going down to the bottom of  
02:55:39 4 page 10, December 27th of 2013, obviously another follow-up  
02:55:44 5 call with the Secret Service.

02:55:45 6 "Left a message. Need to follow up on whether the IRS  
02:55:48 7 can seize the assets in their possession that were taken  
02:55:50 8 from the taxpayer." And you have a phone number there.

02:55:53 9 Correct?

02:55:54 10 **A** Which page are you looking?

02:55:55 11 **Q** The top of Page 11. I'm sorry.

02:55:58 12 **A** I've got 10 on -- okay.

02:56:00 13 **Q** Just that first -- first line of Page 11.

02:56:03 14 **A** Yes.

02:56:04 15 **Q** And this is your Bible. This is like the history of  
02:56:06 16 what happened on this case; right?

02:56:08 17 **A** It's the history, the written record.

02:56:14 18 **Q** So another follow-up call to Secret Service. You got  
02:56:17 19 nowhere.

02:56:18 20 Scroll down two more. February 21st of 2014. "Field  
02:56:22 21 call to U.S. Secret Service."

02:56:23 22 That means you went and visited them; right?

02:56:26 23 **A** Yes.

02:56:26 24 **Q** And where was that located?

02:56:29 25 **A** In Independence.

02:56:30 1 Q So that was a field call to your office?

02:56:33 2 A It was downstairs. It was downstairs.

02:56:35 3 Q That's what I thought.

02:56:43 4 And what happened at that meeting?

02:56:45 5 A Which entry are you looking at, What date?

02:56:45 6 Q The 2-21-14.

02:56:46 7 A "Field call to Secret Service. Located work group  
02:56:50 8 employee, supervisor. Brian Sallee is the CID employee but  
02:56:59 9 worked with Agent Henderhan. He said Henderhan not in but  
02:57:03 10 would speak with him about working together to get these  
02:57:06 11 assets seized."

02:57:07 12 Q Did you then discover that the assets were in the  
02:57:10 13 hands of the ATF somehow? Or is that a typo?

02:57:17 14 A Where are you looking?

02:57:18 15 Q The following. "E-mailed a CID agent, Brian Sallee,  
02:57:22 16 regarding possible seizure of assets in the custody of the  
02:57:27 17 ATF."

02:57:30 18 A Oh, yeah, I see that.

02:57:31 19 Q Is that accurate?

02:57:35 20 A I probably meant Secret Service.

02:57:37 21 Q Right. I would think so as well.

02:57:39 22 A I would think so.

02:57:39 23 Q Because that's the only time I've seen ATF.

02:57:42 24 And then the following day, February 28th, you got a  
02:57:46 25 response; right? "They'll discuss. Maybe next week."

02:57:49 1 Right?

02:57:49 2 **A** Yes.

02:57:51 3 **Q** And then, almost 2 months later, February --

02:57:56 4 April 25th of 2014, we're now 10 months into this,

02:58:01 5 Mr. DiPietro, Mr. Karasarides trying to get you paid.

02:58:04 6 10 months into this you e-mailed Brian Sallee again. This

02:58:08 7 is a month and a half after the last time.

02:58:10 8 April 25th of '14; correct? "Is it still possible to

02:58:15 9 seize these?"

02:58:15 10 **A** What page and what -- what's the date?

02:58:18 11 **Q** Bottom of Page 11, your action entry dated 4-25 of

02:58:22 12 '14?

02:58:22 13 **A** Oh, yes.

02:58:24 14 **Q** 10 months after the fact, correct? Still trying to

02:58:27 15 get this money sent over. All in the hands of the federal

02:58:30 16 government.

02:58:30 17 **A** I didn't compute how many months but --

02:58:33 18 **Q** Well, let's go back a second.

02:58:35 19 So if we look at -- the first entry on that was 6-24

02:58:39 20 of '13, which is on the bottom of Page 7.

02:58:42 21 **A** Okay.

02:58:42 22 **Q** Okay. If you go from June 24th of '13, paging through

02:58:53 23 to April 25th of '14, that's about 10 months in my

02:58:57 24 estimation.

02:58:58 25 **A** Okay. All right.



02:58:58 1 Q That you were trying to get this done and were as  
02:59:01 2 frustrated as anybody. Correct?

02:59:03 3 A Correct.

02:59:07 4 Q Now let's turn to the top of Page 12.

02:59:10 5 Entry dated May 23rd of '14. Just about a year, a  
02:59:16 6 little under a year of your attempts to try to get this  
02:59:18 7 money paid over.

02:59:20 8 What did you find out that day?

02:59:23 9 A On that date that "the taxpayer entered a plea  
02:59:27 10 bargain. There are no assets to seize from the Secret  
02:59:29 11 Service at this point. Need to contact with the power of  
02:59:32 12 attorney and determine what happened to the assets, do an  
02:59:36 13 updated courthouse search for real property, equity  
02:59:39 14 determination, issue final notice, determine what taxpayer  
02:59:44 15 income he has," so forth.

02:59:48 16 Q So, during that entire let's call it 11-month time  
02:59:54 17 frame, give or take, no one at the Secret Service ever got  
02:59:57 18 back to you and told you what happened with the assets?

02:59:59 19 A Not that I can recall.

03:00:00 20 Q It's not in your history either, is it?

03:00:01 21 A I don't see it.

03:00:02 22 Q It just went *poof*?

03:00:05 23 A I don't recall what the final disposition was.

03:00:08 24 Q So, Mr. DiPietro's efforts, Mr. Karasarides' efforts  
03:00:11 25 to get you a half million bucks just went up in the air.

03:00:17 1 I'd be frustrated too.

03:00:33 2 MR. FEDOR: If we could turn to Page 15

03:00:35 3 Carissa.

03:00:35 4 THE COURT: Mr. Fedor, I'll interrupt you. Is  
03:00:37 5 this a good time --

03:00:37 6 MR. FEDOR: It's a good time to interrupt.

03:00:41 7 THE COURT: -- to take a break? Good.

8 MR. FEDOR: Thank you, Judge.

9 Okay. Let's take our afternoon recess. I do have  
03:00:41 10 two, quote/unquote, short hearings that -- so it will be  
03:00:44 11 about 20 minutes.

03:00:45 12 So keep in mind the admonition. We'll see you soon.

03:00:51 13 COURTROOM DEPUTY: All rise.

03:44:37 14 (Jury excused from courtroom and recess taken at 3:00 p.m.)

03:44:37 15 COURTROOM DEPUTY: All rise for the jury.

03:45:07 16 (Jury returned to courtroom at 3:44 p.m.)

03:45:07 17 COURTROOM DEPUTY: Court is in session.

03:45:11 18 Please be seated.

03:45:47 19 (Off-record discussion.)

03:45:47 20 THE COURT: Mr. Fedor.

03:45:49 21 MR. FEDOR: Good segue, Your Honor, going back  
03:45:52 22 to taxes. Thank you very much, again.

03:45:58 23 Carissa, could we go back to Exhibit 200, please.

03:46:02 24 Mr. Ross, that's your ICS history. We're going to  
03:46:06 25 turn back to that.

03:46:08 1 We are on Page 15. Thank you. Good memory.

03:46:17 2 BY MR. FEDOR:

03:46:18 3 **Q** Just picking up where we were last, Mr. Ross, you  
03:46:21 4 expressed some frustration with Secret Service, the fact  
03:46:24 5 that the \$500,000 that was offered to be paid over couldn't  
03:46:27 6 get done, the money went missing essentially, and it was  
03:46:30 7 never credited back to the IRS and your frustrations;  
03:46:34 8 correct?

03:46:34 9 **A** Correct.

03:46:34 10 **Q** Turning to the bottom of Page 15, we're now into -- so  
03:46:38 11 we went from February 2013 when you were first assigned, we  
03:46:41 12 went through the progress of collections, your interactions  
03:46:45 13 with the taxpayer, with Mr. DiPietro, and now we're up to  
03:46:49 14 February of -- July of '14.

03:46:52 15 So we're a year and a half into your collections,  
03:46:55 16 approximately, right?

03:46:56 17 **A** What date are you looking at?

03:46:57 18 **Q** I'm looking at July 2nd, 2014, the bottom of Page 15.

03:47:02 19 **A** Okay. I see.

03:47:03 20 **Q** Okay. And then that second paragraph states -- and  
03:47:08 21 this is a phone call, I believe, from Mr. DiPietro to you.  
03:47:12 22 Correct?

03:47:12 23 **A** Yes.

03:47:13 24 **Q** Advising that the taxpayer is in prison; right?

03:47:16 25 **A** Yes.

03:47:18 1 Q That the only assets remaining are two rental  
03:47:22 2 properties, nominal value, in Canton; correct?

03:47:24 3 A Yes.

03:47:25 4 Q And I believe those are the rental properties that  
03:47:27 5 were referenced in Government's Exhibit 174, which are the  
03:47:30 6 properties on the 433 statement; right?

03:47:34 7 A I'm not sure. You know, you're holding it up, I  
03:47:38 8 can't. . .

03:47:38 9 Q Well, do you remember the 2013 collection information  
03:47:41 10 statement?

03:47:41 11 A Yes. Yes.

03:47:42 12 Q And I believe --

03:47:43 13 A There were rental properties in Canton. Okay. All  
03:47:46 14 right.

03:47:46 15 Q That's my only point. That's my only question.

03:47:49 16 And evidently, you found out July 2, 2014, that  
03:47:55 17 Mr. Karasarides also got married right before going to  
03:47:57 18 prison; correct?

03:47:58 19 A Correct.

03:48:02 20 Q And then Mr. DiPietro advises you, hey, I'm in the  
03:48:06 21 middle of preparing the 2013 tax return, and it's going to  
03:48:13 22 make the liability over \$2 million; right?

03:48:16 23 A Yes, sir.

03:48:16 24 Q And he proffered that to you, he gave that information  
03:48:18 25 to you freely, right?

03:48:19 1 **A** Yes, he did.

03:48:20 2 **Q** And you recorded that in your ICS history?

03:48:23 3 **A** Yes.

03:48:24 4 MR. FEDOR: Can we turn to the top of Page 16.

03:48:26 5 BY MR. FEDOR:

03:48:26 6 **Q** There's a further reference, I don't know how many  
03:48:28 7 times this is now, that the taxpayer's income seized because  
03:48:33 8 the State of Ohio shut down the gambling -- internet cafes;  
03:48:37 9 right?

03:48:37 10 **A** Yes.

03:48:37 11 **Q** And obviously, then, if Mr. Karasarides is in prison,  
03:48:40 12 he has no source of income at the time either; right?

03:48:43 13 **A** I don't know that.

03:48:44 14 **Q** Okay. Well, can you work in prison?

03:48:49 15 **A** You can own businesses from prison.

03:48:51 16 **Q** Okay.

03:48:52 17 **A** Just because you're in prison doesn't mean you have --  
03:48:54 18 you don't have income.

03:48:56 19 **Q** Okay.

03:48:56 20 **A** I had taxpayers that were in prison that were still  
03:48:58 21 getting income from their business.

03:49:00 22 **Q** Okay. Do you know when Mr. Karasarides went away to  
03:49:03 23 prison?

03:49:03 24 **A** When did he go away?

03:49:05 25 **Q** Yes.

03:49:06 1 **A** I believe it was either June or July of 2014.

03:49:11 2 **Q** Okay. And do you know when he was released?

03:49:15 3 **A** No, I do not.

03:49:16 4 **Q** Okay. You have no idea how long he was incarcerated?

03:49:22 5 **A** Well, he was out of prison at least by April of 2015

03:49:29 6 because that's when, you know, he was seen at his

03:49:33 7 residence -- at the Dunkeith address.

03:49:36 8 **Q** Okay.

03:49:37 9 **A** So it had been some time before then.

03:49:49 10 **Q** And prior to Mr. Karasarides going to prison, do you

03:49:53 11 know if he divested from his different investments?

03:49:58 12 **A** I don't know.

03:49:59 13 **Q** Did you ever investigate that?

03:50:03 14 **A** The businesses were closed at that point I was being

03:50:07 15 told. There was no income from those businesses.

03:50:10 16 **Q** But I believe --

03:50:11 17 **A** Because of the state action.

03:50:13 18 **Q** I'm sorry?

03:50:14 19 **A** Because of the state action.

03:50:15 20 **Q** Right.

03:50:16 21 And I believe at one point you testified that you met

03:50:18 22 with Melissa Minnich; correct?

03:50:21 23 **A** I did.

03:50:22 24 **Q** And what was that in reference to?

03:50:23 25 **A** What page are you looking at?

03:50:25 1 Q I'm just discussing it with you and asking you  
03:50:27 2 questions.

03:50:28 3 A I don't recall. If you have an exhibit, I'll look at  
03:50:32 4 it and review, refresh my memory.

03:50:34 5 Q At one point did you sit down with an IRS examining  
03:50:38 6 agent, Melissa Minnich?

03:50:40 7 A Do you have an exhibit or reference?

03:50:42 8 Q No. I'm just asking you a question. To the best of  
03:50:45 9 your knowledge.

03:50:46 10 A I recall seeing her at some point on this case.

03:50:50 11 Q Okay. And do you recall what that meeting was about?

03:50:54 12 A Well, she accompanied me and my group manager and  
03:51:02 13 Mr. DiPietro when we interviewed Ms. Bragg at the Canton,  
03:51:05 14 Ohio, office in May of 2015, I believe.

03:51:10 15 Q Okay. And do you remember what you discussed at that  
03:51:12 16 meeting?

03:51:13 17 A Well, the meeting, I interviewed Ms. Bragg regarding  
03:51:18 18 Mr. Karasarides' tax issues.

03:51:20 19 Q Correct.

03:51:20 20 And do you recall what you asked her?

03:51:24 21 A I recall some of the information. It's what, almost  
03:51:30 22 9 years ago?

03:51:31 23 Q I know.

03:51:32 24 To the extent you recall, would you tell the jurors  
03:51:35 25 what you recall from that?

03:51:36 1 **A** Well, the highlights, well, number one, she did say  
03:51:41 2 that she -- in front of Mr. DiPietro that she married  
03:51:48 3 Christos Karasarides before he went to prison.

03:51:53 4 Another issue was the house on Meese Road. She had  
03:52:01 5 indicated to me that the property on Meese Road was being  
03:52:07 6 rented to Jason, which I assumed was Jason Kachner. Okay?  
03:52:13 7 And that information differed from what I was being --  
03:52:17 8 previously being told by Mr. DiPietro. You know, that was  
03:52:22 9 in connection to the withdrawal of the lien.

03:52:25 10 Another significant issue was the -- she was saying  
03:52:27 11 that she was funneling money to Christopher, the son, to  
03:52:34 12 make the payments on the land contract.

03:52:37 13 **Q** Okay. Do you remember anything else from that  
03:52:39 14 meeting?

03:52:40 15 **A** Well, that she was involved in a business in Canton.  
03:52:46 16 Can't recall the name.

03:52:48 17 Do you have the name -- do you have the -- an exhibit  
03:52:52 18 I can look at?

03:52:53 19 **Q** Do you -- do you have any knowledge if she took over  
03:52:57 20 Mr. Karasarides' business while he was incarcerated?

03:53:04 21 **A** I'd have to review that memo.

03:53:06 22 **Q** Okay. Did you look at her tax returns to see if it  
03:53:09 23 reflected previously, prior to divestment, Mr. Karasarides'  
03:53:13 24 income that then went to his wife?

03:53:18 25 **A** I don't recall.



03:53:18 1 Q Do you recall investigating that at all?

03:53:20 2 A I don't recall.

03:53:21 3 Q Okay. Thank you.

03:53:21 4 MR. FEDOR: Can we turn back to Government's  
03:53:23 5 Exhibit 200, Page 19.

03:53:25 6 Thank you, Carissa.

03:53:28 7 BY MR. FEDOR:

03:53:29 8 Q Mr. Ross, I'm looking at your action date of  
03:53:32 9 February 13th of 2015.

03:53:35 10 A Yes.

03:53:35 11 Q And it references, in Paragraph 2, that you issued a  
03:53:39 12 summons to Mr. DiPietro; correct?

03:53:46 13 A It said that summons records were received from power  
03:53:49 14 of attorney DiPietro.

03:53:51 15 Q I'm actually mistaken.

03:53:52 16 He was returning records to you; correct?

03:53:54 17 A He had submitted records to me in response to a  
03:53:57 18 summons.

03:53:57 19 Q Would you tell the jurors what a summons is?

03:53:59 20 A Summons is a legal document that requires the  
03:54:05 21 production of records and/or testimony regarding a tax case.

03:54:11 22 Q And to your recollection, did Mr. DiPietro turn over  
03:54:14 23 his entire file that you were seeking, actually, the  
03:54:17 24 original records?

03:54:18 25 A I don't know what he -- I don't know what he had, so I

03:54:22 1 can't comment on that.

03:54:22 2 **Q** Okay. The second paragraph of that action date, you  
03:54:27 3 started copying and reviewing records. Approve POA notes  
03:54:32 4 vis-a-vis original records, and he asked that you return  
03:54:35 5 them what you're done copying them; right?

03:54:37 6 **A** Right.

03:54:38 7 **Q** So you actually took his file, copied them and then  
03:54:42 8 gave them back to him?

03:54:42 9 **A** Yes.

03:54:59 10 **Q** And that was February 13th of 2015; correct?

03:55:02 11 **A** Yes.

03:55:03 12 MR. FEDOR: If we could turn, Carissa, to  
03:55:06 13 Page 28 of this same exhibit.

03:55:16 14 BY MR. FEDOR:

03:55:17 15 **Q** So this is the -- the last entry on that Page, May 4th  
03:55:20 16 of 2015, still copying the records you received from  
03:55:24 17 Mr. DiPietro; correct?

03:55:25 18 **A** Yes.

03:55:26 19 **Q** Okay.

03:55:28 20 MR. FEDOR: And if we move to Page 29, May 5th  
03:55:31 21 of 2015.

03:55:32 22 BY MR. FEDOR:

03:55:32 23 **Q** Your entry, you called Mr. DiPietro back, said you  
03:55:38 24 were working on some things to raise money.

03:55:40 25 That's what Mr. DiPietro told you; right?

03:55:42 1 **A** That's what I was advised, yes.

03:55:43 2 **Q** Correct.

03:55:44 3 And do you know what he was working on to raise some  
03:55:46 4 money to pay the IRS?

03:55:49 5 **A** Well, he had previously indicated that he wanted to  
03:55:56 6 borrower on those Canton properties in order to fund the  
03:56:01 7 offer in compromise.

03:56:01 8 **Q** Well, we're not talking about the offer in compromise.

03:56:04 9 **A** Okay.

03:56:04 10 **Q** He's raising money to pay or the IRS; correct?

03:56:06 11 **A** Okay. Right. It doesn't -- it doesn't say. So I'm  
03:56:09 12 not sure.

03:56:10 13 **Q** No. And I'm asking your recollection, and I know  
03:56:13 14 we're going back now 8 years plus.

03:56:15 15 Do you have any recollection of what he told you how  
03:56:18 16 Mr. Karasarides was going to raise money to pay the IRS?

03:56:22 17 **A** Not from this entry.

03:56:24 18 **Q** Okay. No, I'm asking, over and above the entry, do  
03:56:27 19 you have any independent recollection?

03:56:29 20 **A** No.

03:56:29 21 **Q** Okay. So other than the \$500,000, Mr. DiPietro is  
03:56:40 22 reaching out to you and saying, hey, we're raising money for  
03:56:42 23 you as well, keep working with us; right?

03:56:45 24 **A** Right. We're on the Secret Service issue,  
03:56:50 25 Mr. Karasarides is not going to get the assets back either

03:56:52 1 way, so. . .

03:56:53 2 **Q** No, because he wanted to give it to you?

03:56:55 3 **A** I'd prefer to have it on my account for sure.

03:56:57 4 **Q** Right. As did he, as did Mr. DiPietro; right?

03:57:00 5 **A** Yes.

03:57:00 6 **Q** All trying to get the IRS paid so that you don't

03:57:03 7 bother them anymore; right?

03:57:05 8 **A** Yeah, we're like a skunk at a picnic. We understand.

03:57:09 9 Nobody likes us.

03:57:13 10 THE COURT: That was a good one, wasn't it?

03:57:20 11 MR. FEDOR: If we could turn to Page 30,

03:57:22 12 please, for a moment.

03:57:23 13 BY MR. FEDOR:

03:57:24 14 **Q** Your history indicated May 6th of 2015, your notes,

03:57:28 15 again, Mr. Ross. Last sentence: "DiPietro requested

03:57:33 16 transcripts of the liabilities. Advised I'd print them out

03:57:36 17 and schedule a meeting to discuss a resolution of the case."

03:57:39 18 **A** Yes.

03:57:40 19 **Q** What did you mean by that?

03:57:41 20 **A** How it's going to be resolved, how -- what's the

03:57:45 21 finality of it, how is it going to be closed, resolved for

03:57:48 22 the taxpayer and the Internal Revenue Service.

03:57:51 23 **Q** And that's precisely my question.

03:57:53 24 Did you have an understanding how it would be

03:57:55 25 resolved? Was it -- were they going to bring you a check

03:57:58 1 and full pay it? Were they going to file an offer in  
03:58:02 2 compromise? Were they going to do an installment agreement?

03:58:06 3 Did you have an understanding how it was going to be  
03:58:07 4 resolved?

03:58:08 5 **A** Mr. DiPietro was indicating -- he brought up the idea  
03:58:11 6 of an off in compromise. And again, he used that term,  
03:58:11 7 "fresh start," which they didn't qualify. But you can still  
03:58:13 8 file an offer in compromise even if you don't qualify for  
03:58:16 9 the other program.

03:58:17 10 **Q** Right.

03:58:17 11 Well, and your understanding at the time and go --  
03:58:21 12 we'll get into the offer in compromise issues in a moment.

03:58:23 13 But was Mr. Karasarides eligible for an offer in  
03:58:26 14 compromise? Was he compliant?

03:58:29 15 **A** At that time I'm not -- I don't know. It was the  
03:58:32 16 representation of Mr. Yackshaw, later on, that he was  
03:58:37 17 current, but at this point. . . I don't know.

03:58:42 18 **Q** Well, let me make it easier for you.

03:58:44 19 **A** I really don't know.

03:58:45 20 **Q** Was he making estimated tax payments on his  
03:58:48 21 self-employment income?

03:58:48 22 **A** No.

03:58:48 23 **Q** Wouldn't that nullify an offer in compromise?

03:58:51 24 **A** It could, yes, for sure.

03:58:52 25 **Q** That's not compliance; right?

03:58:54 1 Compliance is filing your tax returns and paying your  
03:58:57 2 quarterly payments; correct?

03:58:59 3 **A** Right.

03:59:01 4 But at this point, for the 2015 year, there was no tax  
03:59:05 5 due.

03:59:07 6 **Q** But how about the prior years?

03:59:09 7 **A** Yeah. Yeah, '14 was on the -- ended up being on the  
03:59:13 8 offer in compromise.

03:59:13 9 **Q** Correct.

03:59:14 10 So that's an issue?

03:59:15 11 **A** Okay.

03:59:15 12 **Q** Whether he was compliant or not?

03:59:16 13 **A** Right.

03:59:17 14 **Q** Correct?

03:59:18 15 And when Mr. DiPietro told you, well, we're thinking  
03:59:22 16 about filing an offer in compromise, did you have any  
03:59:25 17 understanding that he had a background in filing offer in  
03:59:31 18 compromise or even knew what he was doing?

03:59:32 19 **A** Well, it was my impression he was using Fresh Start  
03:59:35 20 and offer in compromise synonymously, you know, but -- which  
03:59:39 21 happens, you know.

03:59:42 22 As I indicated, taxpayer did not qualify for Fresh  
03:59:46 23 Start, but anyone may file an offer in compromise. You  
03:59:50 24 know, whether it gets even processed, reviewed, accepted,  
03:59:56 25 that's another story.

03:59:57 1 Q Correct. Correct.

03:59:58 2 So just so the record is clear here, Fresh Start,  
04:00:01 3 offer in compromise, he was using the terms synonymously as  
04:00:04 4 you just stated. Doesn't mean he necessarily knew what he  
04:00:07 5 was doing, did he?

04:00:09 6 A Well, I don't know how much background he had in  
04:00:11 7 collection -- working on collection cases, I don't know.

04:00:17 8 Q What's your background in offers in compromise, since  
04:00:20 9 we're on the subject?

04:00:23 10 A The basics. You know, I was on a detail, that was a  
04:00:29 11 long time ago, 20 -- 20 some years maybe. I was on a detail  
04:00:34 12 for a number of months actually reviewing offer in  
04:00:39 13 compromises, making decisions on them, so forth.

04:00:41 14 Q So that was back in the time period when they worked  
04:00:44 15 the offers in the field; correct?

04:00:45 16 A Yes.

04:00:45 17 Q So, and the Independence office would actually receive  
04:00:49 18 the offer in compromise, work the offers in compromise,  
04:00:52 19 negotiate them, go through them, and either reject or and  
04:00:55 20 accept them; correct?

04:00:57 21 A Yes.

04:00:57 22 Q And that was 20-some-odd years ago; correct?

04:00:59 23 A I believe.

04:01:00 24 Q And I'm not holding you to the date.

04:01:02 25 A When you get old, the time goes fast. It's hard to

04:01:04 1 figure it out.

04:01:05 2 **Q** And so given that history, when was the last time you  
04:01:08 3 saw an offer in compromise not related to this matter?

04:01:12 4 **A** I don't recall.

04:01:14 5 **Q** Can you give me an estimate?

04:01:16 6 **A** I don't know.

04:01:17 7 **Q** Do you know the rules that are even required for an  
04:01:20 8 offer in compromise?

04:01:21 9 **A** Well, I know that you have to put 20 percent down,  
04:01:24 10 submit that in connection with the offer, and the  
04:01:27 11 application fee, you know, the proper form and the financial  
04:01:30 12 information.

04:01:30 13 **Q** Do you know what the terms of an offer in compromise  
04:01:32 14 are, what's required on both the IRS side and the taxpayer  
04:01:36 15 side?

04:01:36 16 **A** I don't get into that area.

04:01:38 17 **Q** Okay. You know it's a contract with the IRS for  
04:01:41 18 5 years; right?

04:01:42 19 **A** It is a contract, right.

04:01:43 20 **Q** Right.

04:01:43 21 And they have to stay compliant and comply with the  
04:01:45 22 terms for 5 years after acceptance; right?

04:01:48 23 **A** I believe so.

04:01:48 24 **Q** And just so the jurors are aware, does an offer in  
04:01:51 25 compromise have anything to do with what you owe? Is it



04:01:55 1 related at all to the amount you have to offer to the amount  
04:01:58 2 you owe?

04:02:01 3 **A** No.

04:02:02 4 **Q** Correct.

04:02:02 5 **A** Not necessarily.

04:02:04 6 **Q** Well, not even not necessarily. It's irrelevant to  
04:02:07 7 how much you owe; correct?

04:02:08 8 **A** Right.

04:02:08 9 **Q** What's an offer in compromise based upon?

04:02:12 10 **A** Taxpayer's ability to pay, how much the IRS can  
04:02:17 11 reasonably expect to collect over the life of the liability.

04:02:20 12 **Q** Correct. Correct.

04:02:21 13 So when we heard, on your direct, 3 percent of the  
04:02:25 14 offer amount, 2 percent, 5 percent, that's irrelevant;  
04:02:28 15 correct?

04:02:34 16 **A** It's relevant to the taxpayer's ability to pay.

04:02:38 17 **Q** How so?

04:02:39 18 **A** Because the taxpayer should be submitting a reasonable  
04:02:43 19 offer of his ability to pay the taxes. In this case, it was  
04:02:49 20 like at least 4 or \$500,000 less than what we believe the  
04:02:56 21 taxpayer could pay.

04:02:59 22 **Q** But that's not related to a 3 percent of the  
04:03:01 23 liability; is it?

04:03:01 24 **A** No.

04:03:02 25 **Q** It's ability to pay?

04:03:03 1 **A** No. I see what you're saying. Yeah, right.

04:03:06 2 **Q** You have your assets, you have your net equity in  
04:03:08 3 assets, you have your ability to pay over the life of the  
04:03:11 4 statute, whatever it's remaining, and then you put those two  
04:03:14 5 together, that's what you're required to offer the IRS;  
04:03:18 6 correct?

04:03:18 7 **A** Yes.

04:03:18 8 **Q** And that's it. You could owe \$10 million, a hundred  
04:03:21 9 million dollars, or a hundred thousand dollars.

04:03:22 10 That's the analysis; correct?

04:03:23 11 **A** Correct.

04:03:24 12 **Q** And when Mr. Yackshaw, not Mr. DiPietro, submitted the  
04:03:30 13 offer; right?

04:03:32 14 **A** Mr. Yackshaw submitted it, yes.

04:03:34 15 **Q** Correct.

04:03:34 16 After he was terminated; correct?

04:03:36 17 **A** Yes.

04:03:37 18 **Q** His POA was no longer -- this is solely Mr. Yackshaw's  
04:03:42 19 work; correct?

04:03:42 20 **A** Yes.

04:03:43 21 **Q** He filed it in Holtsville, New York; correct?

04:03:45 22 **A** Yes.

04:03:45 23 **Q** And that is where offers in compromise are required to  
04:03:49 24 be filed; correct?

04:03:50 25 **A** No. Normally, in the field, we receive the offers

04:03:56 1 directly from taxpayers and then we forward them to  
04:03:59 2 Holtsville. Now, the taxpayers may send them directly to  
04:04:03 3 Holtsville, and that's what happened in this case.

04:04:05 4 **Q** Right. There's no policy that requires them to submit  
04:04:07 5 the offer directly to you. They could copy you; correct?

04:04:10 6 **A** I'm not aware of it.

04:04:11 7 **Q** Correct.

04:04:12 8 So filing the offer in compromise that Mr. Karasarides  
04:04:15 9 authorized Mr. Yackshaw to file with Holtsville, New York,  
04:04:21 10 there's nothing wrong with that?

04:04:23 11 **A** Well, that's what they chose to do. I don't know  
04:04:25 12 if -- I don't know the intention. In other words, I don't  
04:04:28 13 know if --

04:04:30 14 **Q** Well, you'd agree --

04:04:31 15 **A** -- Mr. Yackshaw was trying to --

04:04:32 16 **Q** Sorry.

04:04:34 17 **A** -- bypass me and bypass my knowledge of the offer.

04:04:41 18 **Q** Do you believe that's what was happening?

04:04:43 19 **A** I don't know.

04:04:45 20 **Q** Well, it -- you know --

04:04:47 21 **A** In general, my cases, people file the offers through  
04:04:51 22 me. Not always.

04:04:55 23 **Q** Okay. We'll get to that in your ICS history.

04:05:00 24 Let's move forward to Page 33 of the ICS history,  
04:05:04 25 please.

04:05:05 1 Your action date of May 14th, 2015. You're now  
04:05:10 2 2 years, 3 months into your assignment for the collection,  
04:05:15 3 and you're following up with the Secret Service still;  
04:05:18 4 correct?

04:05:18 5 **A** Right.

04:05:19 6 **Q** So we are now, what, year and a half, give or take, of  
04:05:24 7 your efforts to try to get that 500,000 bucks applied?

04:05:29 8 **A** Yes.

04:05:29 9 **Q** Okay. What does it say here?

04:05:35 10 **A** Which -- which part do you want me to read?

04:05:38 11 **Q** Let's -- I'll just -- the Secret Service is unable to  
04:05:43 12 open the other documents properly. The tax -- "SA says that  
04:05:48 13 the taxpayer should have money to pay while it may be less  
04:05:52 14 likely at the home since there have been two raids at the  
04:05:54 15 home already."

04:05:55 16 That's your discussion you talked about with Mr. Bean  
04:05:57 17 on direct; correct?

04:05:59 18 **A** Exactly.

04:06:00 19 **Q** Don't bother going there, you're not going to get it?

04:06:02 20 **A** Right.

04:06:02 21 **Q** We already got it. We're the Secret Service, and we  
04:06:05 22 took it?

04:06:05 23 **A** Well, his attitude was, Mr. Karasarides would be  
04:06:10 24 unlikely to store cash at his house after two raids.

04:06:12 25 **Q** Well, and getting \$500,000, don't forget that. It's

04:06:17 1 not small money.

04:06:18 2 **A** I can't verify that \$500,000. I can't verify how much  
04:06:21 3 the Secret Service was holding.

04:06:25 4 **Q** Well, but certainly Mr. DiPietro represented to you  
04:06:27 5 that he thought it was \$500,000?

04:06:29 6 **A** Yes.

04:06:29 7 **Q** And they were offering to pay that, whatever it was.

04:06:34 8 **A** It wasn't going to be returned either way. I mean --

04:06:36 9 **Q** Right --

04:06:37 10 **A** -- it could be applied to the IRS, that's fine.

04:06:39 11 **Q** Because both these gentlemen sitting here wanted it to  
04:06:41 12 go to you.

04:06:42 13 **A** Yes.

04:06:53 14 MR. FEDOR: If we turn to Page 37, please.

04:06:57 15 BY MR. FEDOR:

04:06:57 16 **Q** It says -- the last action date dated July 1st of  
04:07:03 17 2015, on Page 37, you called Mr. DiPietro back, you gave him  
04:07:09 18 a balances due by the period. And it said, "The taxpayer  
04:07:13 19 wants to address the tax lien on the three inner city  
04:07:17 20 properties"; right?

04:07:18 21 **A** Yes, sir.

04:07:19 22 **Q** You then went to talk to an advisor about it, see what  
04:07:22 23 could be done; correct?

04:07:26 24 **A** I said I would talk to discharge advisor, see if that  
04:07:30 25 can be done.

04:07:31 1 Q Correct.

04:07:31 2 And who was that that you talked to; do you know?

04:07:33 3 A I don't recall. I didn't list the name.

04:07:35 4 Q Okay. Do you know who the discharge advisor is that  
04:07:38 5 you'd normally call?

04:07:39 6 A Back in 2015, no. Sorry.

04:07:42 7 Q I don't know how many of them there are, so perhaps it  
04:07:44 8 was one or --

04:07:46 9 A I don't recall.

04:07:47 10 Q Okay. Did you have a discussion with the discharge  
04:07:49 11 advisor?

04:07:52 12 A I don't recall.

04:07:53 13 Q So, again, this is Mr. Karasarides, this is  
04:07:57 14 Mr. DiPietro on his behalf saying, hey, we want to pay you,  
04:08:01 15 we're trying to pay you, will you talk with the guy who's  
04:08:04 16 involved with the lien and see if we can get this released  
04:08:06 17 or withdrawn or temporarily discharged so we can give you  
04:08:10 18 money; correct?

04:08:11 19 A Right, but I've never seen in my 41 years a case where  
04:08:15 20 we did a discharge where there were installment payments  
04:08:20 21 made. It's not like they wanted to make payments to the IRS  
04:08:23 22 on these inner city properties, basically like mortgage and  
04:08:27 23 then pay it off over time. And I had never heard of that  
04:08:31 24 done.

04:08:32 25 I mean, we're not Rocket Mortgage, okay? We want to

04:08:34 1 collect the fair market value of the property at the same  
04:08:38 2 time.

04:08:38 3 **Q** Of course.

04:08:39 4 **A** And not string it along.

04:08:40 5 **Q** Of course.

04:08:42 6 But did you ever develop this issue? Did you get  
04:08:44 7 further details about how they were trying to pay you?  
04:08:47 8 Maybe it was a lump sum. Maybe it was a lump sum in  
04:08:51 9 60 days. Did you ever develop that issue?

04:08:53 10 **A** I don't know. I don't recall.

04:08:55 11 **Q** So it's another -- but they were trying to offer money  
04:08:57 12 again; correct?

04:08:58 13 **A** Well, I think at this time we were already getting  
04:09:01 14 levies from the Stark County metropolitan housing because  
04:09:05 15 Mr. Karasarides had tenants in these properties. So we were  
04:09:09 16 getting -- we were getting monthly payments on these  
04:09:12 17 properties.

04:09:12 18 **Q** And I agree with you, you were, but this is over and  
04:09:16 19 above that. They're trying to get you money out of the  
04:09:18 20 equity in the asset.

04:09:19 21 **A** Right.

04:09:20 22 **Q** Not the regular payments that would come to you under  
04:09:23 23 rental income; right?

04:09:24 24 **A** Well, I believe we needed a bona fide buyer to come up  
04:09:27 25 with the money at one time rather than making payments over

04:09:31 1 time.

04:09:31 2 **Q** Exactly.

04:09:32 3 And my question is, did you ever follow up with that?

04:09:34 4 **A** I don't recall that.

04:09:36 5 **Q** Okay. And going back to your 41 years, I believe you  
04:09:40 6 previously testified here just a little bit ago you had  
04:09:43 7 never seen a land contract like this either?

04:09:45 8 **A** Not of this size in one of my cases, I don't believe.

04:09:49 9 **Q** And you didn't know what to do with that, so you  
04:09:51 10 reached out to somebody else to get the right legal advice  
04:09:54 11 what to do with the land contract or not; right?

04:09:56 12 **A** No, my research in the legal reference guide for the  
04:10:00 13 IRS indicated that we do have an interest in land contracts.  
04:10:02 14 It wasn't like I was clueless. You know, I was just trying  
04:10:07 15 to get clarification on procedure, you know, pitfalls,  
04:10:11 16 issues, things likes that.

04:10:12 17 **Q** Right. And that wasn't what I meant by asking that  
04:10:15 18 either.

04:10:15 19 It was because there's always valuation issues too;  
04:10:19 20 right?

04:10:19 21 **A** Right.

04:10:19 22 **Q** Is it worthwhile pursuing it?

04:10:20 23 **A** Right.

04:10:21 24 **Q** Is there enough equity there?

04:10:23 25 **A** Right.



04:10:23 1 Q Who gets what interest and how is it broken out;  
2 right?

3 A Right.

04:10:25 4 Q Are there other liens involved. There's all those  
04:10:27 5 issues.

04:10:30 6 And once again, on July 1st, 2015, you advised  
04:10:34 7 Mr. DiPietro, "We plan to seize assets. That's going to be  
04:10:37 8 my recommendation."

04:10:38 9 A Right.

04:10:38 10 Q So you were clear on that, correct, Mr. Ross?

04:10:44 11 A Yes.

04:10:45 12 Q That's the first line in Paragraph 2.

04:10:59 13 MR. FEDOR: And if we could turn to Page 41,  
04:11:01 14 then, thereafter. The entry dated November 17th of 2015,  
04:11:10 15 the top -- the performance of Page 41, the top of Page 42,  
04:11:15 16 please, Carissa. Thank you.

17 BY MR. FEDOR:

04:11:17 18 Q Mr. DiPietro calls, correct, and says he's no longer  
04:11:20 19 representing Mr. Karasarides; right?

04:11:21 20 A That's correct.

04:11:23 21 Q And was that the last time you spoke with  
04:11:26 22 Mr. DiPietro?

04:11:31 23 A I don't know. I can't recall. I may have served an  
04:11:35 24 additional summons after this point. I'm not sure.

04:11:37 25 Q That was certainly the last time he represented

04:11:40 1 Mr. Karasarides before the IRS; correct?

04:11:45 2 **A** The best of my knowledge.

04:11:46 3 **Q** Right.

04:11:46 4 You don't recall Mr. DiPietro re-entering the case,  
04:11:50 5 filing another power of attorney?

04:11:51 6 **A** No, I do not.

04:12:06 7 MR. FEDOR: If we could turn to Page 49,  
04:12:08 8 please.

04:12:17 9 BY MR. FEDOR:

04:12:17 10 **Q** So Mr. DiPietro's out of this matter November of 2015;  
04:12:22 11 you're still working the case.

04:12:24 12 You still have a collection matter; correct?

04:12:26 13 **A** Correct.

04:12:26 14 **Q** And you're still trying to pursue assets. You're  
04:12:30 15 still trying to develop the land contract, and you're trying  
04:12:32 16 to get the Service paid; correct?

04:12:33 17 **A** Correct.

04:12:34 18 **Q** You're doing your job?

04:12:35 19 **A** Yes.

04:12:38 20 **Q** Page 49, midway through, your action date on  
04:12:41 21 August 1st of 2016, that's the date I'm thinking that you  
04:12:45 22 find out that the offer in compromise was filed. Correct?

04:12:49 23 **A** Correct.

04:12:52 24 **Q** And then you ask Holtsville, New York, where it was  
04:12:56 25 filed, hey, can I -- can you send me a copy of it; correct?

04:12:59 1 **A** Yes. I asked for a copy.

04:13:02 2 **Q** And I believe you testified on direct that it's  
04:13:06 3 typical that if you have a revenue officer in the field,  
04:13:09 4 they want to review if an offer in compromise has been  
04:13:12 5 filed, just say is it good, is it bad, should it be  
04:13:15 6 considered or not; correct?

04:13:16 7 **A** They do want input. There's a form even for that. We  
04:13:19 8 have a form for everything.

04:13:20 9 **Q** And I believe that's Form 657. Right?

04:13:22 10 **A** Exactly.

04:13:34 11 **Q** I'm not going to get too far into the weeds with  
04:13:37 12 Mr. Yackshaw, but I think it was clear that he was  
04:13:41 13 vehemently opposed to you pulling the offer back; correct?

04:13:44 14 **A** Probably an understatement.

04:13:47 15 **Q** Well, explain what your thought was on that.

04:13:50 16 **A** Well, he was very upset that the offer wasn't put into  
04:13:54 17 our terms, the pipeline, to be reviewed formally to see if  
04:13:59 18 the offer was a decent offer that the IRS should accept or  
04:14:07 19 not.

04:14:07 20 **Q** And, in fact, he asked for a conference call with your  
04:14:10 21 manager; correct?

04:14:11 22 **A** Yes.

04:14:12 23 **Q** And at one point -- I believe it was Mr. Yurick was  
04:14:15 24 your manager; right?

04:14:16 25 **A** Right.

04:14:17 1 Q And you, Mr. Yurick, and Mr. Yackshaw had a conference  
04:14:20 2 call?

04:14:20 3 A Yes.

04:14:20 4 Q And what did you discuss on that call?

04:14:22 5 A Well, the reasons that we gave to Holtsville why the  
04:14:29 6 offer should be returned.

04:14:31 7 Q Okay. And what was Mr. Yackshaw's response?

04:14:35 8 A Well, he was -- he disagreed with our determination.

04:14:40 9 Q That's an understatement; correct?

04:14:41 10 A Exactly, yes.

04:14:42 11 Q And wasn't there a point in time where Mr. Yackshaw  
04:14:45 12 actually filed a written complaint and complained about you?

04:14:48 13 A He filed something with the taxpayer advocate service  
04:14:53 14 that I found out later.

04:14:54 15 Q Okay.

04:14:54 16 A Objecting to our procedures -- or, you know, our  
04:14:57 17 decision.

04:14:57 18 Q And for -- so the jurors understand, who is the  
04:14:59 19 taxpayer advocate?

04:15:02 20 A They're trying to do -- to act as a -- resolve,  
04:15:10 21 troubleshooting complaints, taxpayer hasn't gotten a refund  
04:15:14 22 in 6 months, you know, problems like that, that -- you know,  
04:15:18 23 they're trying to short-cut the system and see what they can  
04:15:23 24 do to help the taxpayer where there's disputes that can't be  
04:15:26 25 resolved.

04:15:26 1 Q All right. They try to resolve problems, right, and  
04:15:30 2 resolve disputes?

04:15:30 3 A Yes.

04:15:31 4 Q And he reached out to I believe a national taxpayer  
04:15:33 5 advocate; correct?

04:15:35 6 A I'm not sure.

04:15:35 7 Q Okay. We'll visit that in a moment.

04:15:38 8 And complained about your lack of consideration of the  
04:15:40 9 offer and your lack of attention to -- you know, to your  
04:15:44 10 review and your analysis?

04:15:45 11 A Right.

04:15:48 12 And we provided analysis to Mr. Yackshaw that I faxed  
04:15:51 13 him, and then I determined the equity in the assets.

04:15:55 14 Q Yeah. That was the outcome of the conference call you  
04:15:57 15 had with Mr. Yurick and him; right?

04:16:00 16 A Right.

04:16:05 17 Q So what can you tell me about Mr. Yackshaw? He was on  
04:16:11 18 the case --

04:16:11 19 A I don't recall ever -- I don't know if I've ever had a  
04:16:14 20 case before this with him.

04:16:16 21 Q Do you know if it was --

04:16:17 22 A I know he's a tax attorney in Canton. That's all I --  
04:16:21 23 basically.

04:16:21 24 Q Okay. And you had never interfaced with him prior?

04:16:23 25 A I don't recall.

04:16:25 1 Q Okay. None of this had anything to do with  
04:16:30 2 Mr. DiPietro after November of 2015; correct?

04:16:33 3 A Correct.

04:16:33 4 Q It was strictly Mr. Yackshaw?

04:16:35 5 A Yes. Correct.

04:16:36 6 Q Okay. Do you know what law firm he worked at?

04:16:40 7 A Day Ketterer.

04:16:41 8 Q Right.

04:16:42 9 Do you know anything about that law firm?

04:16:43 10 A Not much.

04:16:44 11 Q Do you know if it's still in existence today?

04:16:47 12 A It's my understanding it's no longer in existence,  
04:16:54 13 defunct.

04:16:55 14 Q Have you ever met Mr. Tom Hartnett?

04:17:08 15 A In what relation? Do you reference this on the ICS  
04:17:14 16 history?

04:17:15 17 Q No, it's not referenced in the ICS history, just a  
04:17:18 18 question.

04:17:18 19 A What's the last name?

04:17:20 20 Q Hartnett, H-a-r-t-n-e-t-t.

04:17:23 21 A I don't recall.

04:17:23 22 Q Okay.

04:17:24 23 DEFENSE ATTORNEY: Carissa, could we go to  
04:17:27 24 Exhibit 177?

04:17:36 25 BY MR. FEDOR:

04:17:36 1 Q I'm not going to get into this in too much detail  
04:17:40 2 because Mr. Bean already did, but this is the offer in  
04:17:42 3 compromise that was filed on Mr. Yackshaw; correct?

04:17:44 4 A Yes, sir.

04:17:44 5 Q And it was dated received July 14th of I think that's  
04:17:48 6 '16; correct?

04:17:49 7 A Yes, sir.

04:17:50 8 Q And attached to that is Exhibit 176, which is your 433  
04:17:55 9 statement; correct?

04:17:58 10 Do you want us to pull it up?

04:18:00 11 MR. FEDOR: Can we pull up 176 real quick,  
04:18:03 12 Carissa?

04:18:04 13 THE WITNESS: Yeah, I see Exhibit 176.

04:18:06 14 BY MR. FEDOR:

04:18:06 15 Q Correct.

04:18:07 16 And when you file an offer in compromise, if you're  
04:18:10 17 married, do you know what you're required to report on the  
04:18:12 18 433 form?

04:18:17 19 A Let me see.

04:18:20 20 You should include income from the non-labile spouse,  
04:18:24 21 I believe, on the collection information statement.

04:18:27 22 Q What about a non-labile spouse's assets, do those need  
04:18:30 23 to be included?

04:18:32 24 A Not to my knowledge.

04:18:34 25 Q Right.

04:18:34 1 They're not; correct?

04:18:37 2 **A** Not to my knowledge.

04:18:38 3 **Q** So let's go back to what an offer in compromise is.

04:18:41 4 It's two things, right? Cash flow; correct?

04:18:44 5 **A** Pardon?

04:18:45 6 **Q** Cash flow in the household, the household income?

04:18:48 7 **A** Right.

04:18:48 8 **Q** So that would include the non-liable spouse, whatever  
04:18:52 9 year she contributes to the household; correct?

04:18:55 10 **A** Yes.

04:18:55 11 **Q** And then the assets of the taxpayer that's trying to  
04:18:58 12 get his offer in compromise completed and resolve his tax  
04:19:01 13 problem; right?

04:19:01 14 **A** Yes.

04:19:02 15 **Q** And those two things combined is what makes an offer  
04:19:05 16 in compromise; correct?

04:19:06 17 **A** If a person's married, yes.

04:19:08 18 **Q** Correct. Nothing else.

04:19:10 19 So if a non-liable spouse has separate business  
04:19:13 20 interests, it's not part of this; right?

04:19:16 21 **A** It depends.

04:19:18 22 **Q** It depends on what?

04:19:20 23 **A** How the spouse acquired the business. Is there any  
04:19:23 24 business -- relationship to those assets from the liable  
04:19:27 25 spouse. Did she receive those as a gift from the spouse



04:19:31 1 that owes taxes. I mean, just the fact that she owns  
04:19:35 2 something on paper would not necessarily mean that we  
04:19:40 3 wouldn't look at it.

04:19:41 4 **Q** That was --

04:19:42 5 **A** How did she acquire those assets, you know, the  
04:19:45 6 background in other words.

04:19:45 7 **Q** Right.

04:19:45 8 But generally speaking -- and that wasn't my question.

04:19:48 9 **A** Okay.

04:19:48 10 **Q** Generally speaking, a non-liable spouse has no  
04:19:51 11 obligation to report -- the taxpayer seeking the offer has  
04:19:54 12 no obligation to report a non-liable spouse's assets;  
04:19:58 13 correct?

04:19:58 14 **A** Not to my knowledge.

04:19:59 15 **Q** Correct. Thank you.

04:20:18 16 MR. FEDOR: Carissa, could we go to  
04:20:20 17 Exhibit 100?

04:20:24 18 Thank you very much.

04:20:25 19 BY MR. FEDOR:

04:20:27 20 **Q** I don't recall if Mr. Bean reviewed this with you,  
04:20:30 21 Mr. Ross. What is this again?

04:20:33 22 **A** It's an account transcript for the tax year 2009,  
04:20:39 23 Form 1040, for Christos Karasarides, Jr.

04:20:43 24 **Q** And what's the date of this printout?

04:20:47 25 **A** December 11th, 2023.

04:20:50 1 Q So, what, 2, 3 weeks ago; correct?

04:20:55 2 A Right.

04:20:56 3 Q And what's the current account balance on this for the  
04:20:59 4 2009 year?

04:21:00 5 A Shows 0.

04:21:04 6 MR. FEDOR: And if we could turn to Page 2.

04:21:08 7 And Page 3.

04:21:10 8 Thanks, Carissa.

04:21:11 9 And Page 4.

04:21:12 10 And 5.

04:21:14 11 BY MR. FEDOR:

04:21:15 12 Q And I believe scrolling through here, these are all  
04:21:20 13 the levy payments received on behalf of Mr. Karasarides;  
04:21:23 14 correct?

04:21:23 15 A Yes.

04:21:24 16 Q The \$500, I don't know how often they came in. It  
04:21:29 17 looks like monthly, give or take?

04:21:30 18 A Right.

04:21:31 19 Q And that was your levy proceeds from his Canton  
04:21:34 20 rentals; right?

04:21:35 21 A Right.

04:21:35 22 Q And so you're getting paid on a monthly basis -- I  
04:21:39 23 shouldn't say you.

04:21:40 24 The Service is getting paid on a monthly basis based  
04:21:43 25 upon the money you're getting from his rental properties;

04:21:45 1 correct?

04:21:45 2 **A** Correct.

04:21:46 3 **Q** And that was never contested by Mr. Karasarides, was  
04:21:49 4 it?

04:21:49 5 **A** No, sir.

04:21:49 6 **Q** It wasn't contested by Mr. DiPietro, was it?

04:21:52 7 **A** No, sir.

04:21:52 8 **Q** They allowed that to happen?

04:21:54 9 **A** Well, they couldn't really stop it, but they didn't  
04:21:58 10 make a formal objection.

04:21:59 11 **Q** Thank you.

04:22:00 12 And I believe — and correct me if I'm wrong — it's the  
04:22:06 13 Service's policy, any monies that you receive are required  
04:22:09 14 to be applied to the oldest period that's open and there's a  
04:22:13 15 balance due, correct, generally speaking?

04:22:14 16 **A** Generally speaking.

04:22:16 17 MR. FEDOR: Can we turn to the next page,  
04:22:18 18 Carissa?

04:22:18 19 BY MR. FEDOR:

04:22:19 20 **Q** And you'll see the second last entry on this exhibit,  
04:22:22 21 says, write-off balance due December 12th, 2022, 270,000 and  
04:22:29 22 change; correct?

04:22:30 23 **A** Yes, sir.

04:22:30 24 **Q** And what does that mean to you?

04:22:32 25 **A** What it means to me is that particular tax period went

04:22:37 1 to 0 balance when -- on the civil side when the collection  
04:22:43 2 statute expired.

04:22:46 3 **Q** And did you participate in the collection statute  
04:22:52 4 analysis?

04:22:58 5 **A** I believe I did review that.

04:22:59 6 **Q** Okay. And you were aware when the statutes were  
04:23:02 7 expiring; correct?

04:23:04 8 **A** Yes.

04:23:05 9 **Q** You kept track of that; correct?

04:23:07 10 **A** Well, I didn't keep track of it on my records after,  
04:23:13 11 you know, late 2016, early 2017. I would respond if a  
04:23:19 12 special agent contacted me and says, you know, we want to  
04:23:23 13 update a balances due or had a question on a particular  
04:23:26 14 period or something. You know, I would respond to that.  
04:23:30 15 But I didn't have a file where I was keeping track of  
04:23:33 16 these -- the civil assessments.

04:23:35 17 **Q** Okay.

04:23:37 18 MR. FEDOR: Carissa, could we turn to  
04:23:39 19 Exhibit 102?

04:23:44 20 Thank you.

04:23:48 21 BY MR. FEDOR:

04:23:48 22 **Q** And this is the same account transcript for tax year  
04:23:51 23 2011; right?

04:23:52 24 **A** Yes.

04:23:53 25 **Q** And it's dated December 11th of 2023; correct?

04:23:57 1 **A** Yes, sir.

04:23:58 2 **Q** And this is evidently, as of this date, a statute  
04:24:02 3 which has not expired; correct? There's a balance due?

04:24:06 4 **A** It shows a balance due. I don't -- I don't see the  
04:24:09 5 complete transcript, so. . .

04:24:11 6 MR. FEDOR: Okay. Can you turn to Page 2?

04:24:13 7 Thanks, Carissa.

04:24:14 8 Page 3.

04:24:17 9 Page 2, back.

10 BY MR. FEDOR:

04:24:20 11 **Q** So that's the whole history. It has not been written  
04:24:23 12 off yet; correct?

04:24:24 13 **A** It's still showing a balance at that point.

04:24:26 14 **Q** Correct.

04:24:27 15 MR. FEDOR: And can we turn to Exhibit 103?

04:24:35 16 BY MR. FEDOR:

04:24:36 17 **Q** And this is a 2011 tax return; correct?

04:24:39 18 **A** Correct.

04:24:40 19 **Q** And I believe you had testified on direct that you  
04:24:44 20 reviewed a number of tax returns related to Mr. Karasarides;  
04:24:46 21 correct?

04:24:47 22 **A** Correct.

04:24:47 23 **Q** And did you review those in preparation for today's  
04:24:51 24 testimony, or did you review those as you were collecting --  
04:24:55 25 assigned the collection case for Mr. Karasarides?

04:24:58 1 **A** It's the normal course that I would review tax  
04:25:02 2 returns. I don't recall specifically sitting down on a  
04:25:04 3 certain date and looking at these. I did review these in  
04:25:08 4 preparation for testimony.

04:25:09 5 **Q** Okay. And how many times did you meet with the  
04:25:11 6 government to prepare for your testimony?

04:25:14 7 **A** I believe twice.

04:25:30 8 MR. FEDOR: Nothing further, Your Honor.

04:25:31 9 THE COURT: Thank you.

04:25:32 10 Well, it's like 25 after 4:00. We probably shouldn't  
04:25:36 11 start Mr. Goldberg until tomorrow. I think that Morgan  
04:25:41 12 wants to get home. Her husband's got a surprise for her or  
04:25:44 13 something, we think, so we're hoping that.

04:25:47 14 Okay, folks, you've heard quite a bit of testimony.  
04:25:50 15 You haven't heard it all. Keep in mind the admonition.

04:25:53 16 Now, I don't know what to tell you about the weather.  
04:25:55 17 I get people telling me, oh, it's going to be terrible,  
04:25:59 18 other people say don't worry about it. Don't know -- you  
04:26:02 19 know, be safe. Don't try to rush in.

04:26:04 20 We are scheduled -- we don't -- this building, as far  
04:26:07 21 as I've ever been here, it's been a long time too, we've  
04:26:10 22 never been closed, so. . . and a couple people have a long  
04:26:17 23 way to go. But everybody will do their best to be here.  
04:26:20 24 You could always call and double-check, but I think we're  
04:26:23 25 set to go forward regardless.

04:26:26 1 But keep in mind the admonition, and we'll see you  
04:26:28 2 about 8:15 or thereabouts.

04:26:32 3 You can get here then, Morgan, right after your big  
04:26:34 4 night?

04:26:38 5 COURTROOM DEPUTY: All rise.

04:27:27 6 (Jury excused from courtroom at 4:27 p.m.)

04:27:27 7 COURTROOM DEPUTY: Court is adjourned.

04:50:48 8 (Proceedings adjourned at 4:27 p.m.)

9 \* \* \* \* \*

10  
11 **C E R T I F I C A T E**

12  
13 I certify that the foregoing is a correct transcript  
14 of the record of proceedings in the above-entitled matter  
15 prepared from my stenotype notes.

16  
17 /s/ Heather K. Newman  
18 HEATHER K. NEWMAN, RMR, CRR

01-18-2024  
DATE